

DIRECT DEMOCRACY & SORTITION ASSEMBLIES

# CIVIC PENSION ARCHITECTURE

*A Financial Framework for Retirement in the Civic Commonwealth*

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*"We do not turn time back; we move forward  
with the wisdom its patterns reveal."*

# Preamble

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The Civic Pension Architecture of the Civic Commonwealth of the New British Isles is a constitutional financial instrument establishing the complete framework under which residents accumulate, protect, and draw their retirement income. It is the product of first-principles design: built without deference to the inherited structures of the United Kingdom's pension system, which accumulated decades of complexity, underfunding, and inequality, and designed instead from the ground up for a civic order in which retirement security is a guaranteed right, not a managed aspiration.

This Framework proceeds from two irreducible convictions. First, that a resident who has contributed honestly to the productive life of the Commonwealth throughout their working years should retire in dignity, with income that meets the full cost of living. Second, that the amount beyond that floor — the extent to which retirement can be made comfortable, even prosperous — is entirely a function of the choices a resident makes during their working life. The Framework guarantees the floor. It places no ceiling.

All pension design involves long-term fiscal commitment. This Framework takes that commitment seriously: it identifies the instruments capable of sustaining real growth over multi-decade horizons, it builds reserve mechanisms that absorb volatility without selling assets at a loss, and it establishes governance bodies with genuine constitutional independence. No Assembly, no Executive, and no Emergency Override may touch pension payments once they are in payment. That guarantee is absolute.

This is a document for residents, not specialists. Where technical terms are unavoidable, they are defined. Where choices have been made that affect residents' lives, the reasoning is stated. Opacity in pension design is itself a form of injustice; this Framework is written in the knowledge that every person it governs is entitled to understand it.

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## PART I

# Constitutional Foundations

### Article 1 — Status of this Framework

This Framework is a Foundational Civic Instrument enacted under the Constitution of the Civic Commonwealth of the New British Isles. It carries constitutional force equal to a Civic Constitutional Rule and may be altered only through the processes prescribed in Part XVI. It binds all organs of the Civic Commonwealth, all Civic Enterprises operating within the Commonwealth, all financial institutions registered under Civic Commerce Civic Rules, and all residents.

No provision of this Framework may be waived by individual contract, employment agreement, or private arrangement. Any term in any contract purporting to reduce, exclude, or replace a resident's entitlement under this Framework is void from the outset.

### Article 2 — Relationship to Other Civic Frameworks

This Framework operates alongside the Civic Security Architecture, which governs basic subsistence provision for residents of working age. The two frameworks are complementary but legally distinct: the Civic Security Architecture addresses present-day need; this Framework addresses deferred income accumulated through a working life. No provision of the Civic Security Architecture may be used to reduce, offset, or recover Civic Pension entitlements.

This Framework also operates alongside the Civic Commerce Architecture, the Civic Tax Framework, and the Civic Health Architecture. Where any apparent conflict arises between this Framework and any other Civic Instrument, this Framework prevails in all matters relating to pension contributions, fund management, pension income, and pension guarantees.

## Article 3 – Definitions

In this Framework, unless the context otherwise requires:

Term	Definition
Civic Commonwealth	The Civic Commonwealth of the New British Isles and all its constituent jurisdictions.
Civic Pension Fund	The individual ring-fenced account held on behalf of each member within the Civic Pension Investment Pool.
Civic Pension Investment Pool	Administered by the Bank of the NBI under the mandate of the Civic Pension Authority.
Civic Living Wage	The hourly wage rate set annually by the Civic Wage Board, representing the minimum income for a standard of living within the Commonwealth.
Civic Living Pension	The monthly pension income equivalent to the annualised Civic Living Wage, updated each April in line with the Civic Price Index.
Civic Pension Floor	The constitutional guarantee that no qualifying resident receives monthly pension income below the Civic Living Pension.
Civic Price Index (CPI)	The Civic Commonwealth's official measure of inflation, calculated monthly by the Civic Statistics Office.
Civic Pension Authority (CPA)	The independent constitutional body responsible for the governance, administration, regulation, and audit of the Civic Pension Architecture.
Civic Actuarial Board (CAB)	The standing expert panel of qualified actuaries responsible for life expectancy tables, drawdown calculations, and fund adequacy certifications.
Civic Pension Smoothing Reserve	A buffer fund maintained at 15% of total Pool assets, used to top up individual fund credits in years where Pool growth falls short of the 1.5% real target.
Civic Pension Commons Reserve	A separate reserve fund used to finance Civic Pension Floor top-up payments for qualifying residents whose accumulated funds are insufficient to pay the Civic Living Pension.
Civic Enterprise	Any organisation, business, partnership, or sole trader employing residents of the Civic Commonwealth in exchange for remuneration.
Civic Medical Assessment Panel	A panel of three registered Civic Health Practitioners, at least one of whom holds a relevant specialist qualification, convened to assess and certify incapacity for employment.
Civic Beneficiary	A person nominated by a Civic Pension Fund member to receive the residual value of the Fund on the member's death.
Real Growth	Investment growth in excess of the Civic Price Index in the same period. A 1.5% real growth target means 1.5 percentage points above CPI, not 1.5% in absolute terms.
Drawdown Period	The period from retirement commencement to the actuarial end-of-life date used in calculating monthly pension income.
Voluntary Non-Contributor	A resident assessed by the Civic Employment Service as capable of employment who has declined available Civic Employment Placement without Civic Grounds.

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## Article 4 — Monetary Basis and Uprating

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All monetary figures, thresholds, and rates in this Framework are expressed at 2025 Civic Commonwealth values. Each figure is subject to annual CPI uprating on 1 April unless this Framework explicitly states otherwise. Uprating is applied automatically by the Civic Pension Authority; it does not require legislative action, Assembly vote, or ministerial approval.

The Civic Statistics Office publishes the final CPI figure for the preceding calendar year by 15 March each year, providing the CPA with sufficient time to calculate and communicate uprated figures before 1 April. Where the CPI is negative in any given year, pension incomes in payment are held flat; they are not reduced. Contribution thresholds are reduced in line with a negative CPI.

### PART II

## Membership and Enrolment

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## Article 5 — Universal Participation

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Participation in the Civic Pension Scheme is mandatory for every resident of the Civic Commonwealth who enters paid employment within its borders. There is no opt-out. The principle underlying universal participation is generational solidarity: the Fund benefits from the contributions of all working residents, and the guarantees of the Floor are sustainable only because the contributor base is not self-selected.

Residents who are self-employed, engaged as sole traders, or operating as partners in unincorporated businesses participate in the Scheme as both resident-member and notional Civic Enterprise, contributing both the resident and enterprise share from their trading income.

Residents who work for Civic Enterprises registered outside the Civic Commonwealth but who are themselves Commonwealth residents contribute to the Scheme on the basis of their Commonwealth-equivalent income, calculated at the prevailing exchange rate. Their notional Civic Enterprise contribution is borne by the Civic Commonwealth from the Civic Pension Commons Reserve until a bilateral portability agreement is concluded with the relevant foreign jurisdiction.

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## Article 6 — Commencement of Membership

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Membership commences on the first day of any paid employment or self-employment within the Civic Commonwealth. Civic Enterprises are required by Civic Commerce Civic Rules to register new employees with the Civic Pension Authority within five working days of employment commencement. Failure to register on time results in a Civic Commerce Financial Consequence calculated at twice the missed contribution amount, recoverable by the CPA directly from the Civic Enterprise.

A resident who has previously held a Civic Pension Fund — including one originating from transferred UK occupational pension assets under Part XIII — resumes the same Fund on recommencing employment. No new Fund is opened; the existing Fund continues to accumulate.

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## Article 7 – Civic Pension Account and Personal Portal

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Each member holds a single Civic Pension Account, identified by their unique Civic Identity Number. The Account is maintained on the Civic Pension Register, a constitutional public record administered by the CPA. Residents access their Account through the Civic Digital Portal, which provides:

- Real-time fund balance and unit value.
- Contribution history showing resident and Civic Enterprise credits separately.
- Projected monthly pension income at age 65 under current tier and three alternative trajectories.
- Smoothing Reserve allocation attributable to the member's Fund.
- Floor Guarantee eligibility projection based on current trajectory.
- Nominated Civic Beneficiary record.
- Annual Civic Pension Statement, archived for the full membership period.

The Portal also provides a scenario calculator allowing residents to model the effect of tier upgrades, voluntary additional contributions, extended career interruptions, and deferred retirement on their projected income. The calculator uses the CAB's current actuarial tables and is updated automatically when those tables are revised.

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## Article 8 – Portability and Residency

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A resident's Civic Pension Fund follows them across all jurisdictions of the Civic Commonwealth without transfer, penalty, or revaluation. Residents relocating between constituent nations carry the same Fund, the same CPA registration, and the same contribution history.

Residents who emigrate permanently from the Civic Commonwealth retain their accumulated Fund, which continues to be invested within the Pool at their existing tier rate. They may elect to:

- (a) Leave the Fund invested within the Pool until age 65, at which point drawdown commences under the standard architecture; or
- (b) Transfer the Fund to a qualifying pension vehicle in their country of domicile under the terms of any applicable bilateral portability agreement, subject to a transfer levy of 2.5% of the fund value at transfer date, ring-fenced to the Civic Pension Commons Reserve.

Residents who emigrate and subsequently return to the Commonwealth resume membership as though they had not left, with any overseas contributions credited at the rates established in Article 45.

## PART III

# Contribution Architecture

## Article 9 — The Three Contribution Tiers

The Civic Pension Scheme operates three contribution tiers. Every member selects a tier at enrolment. The tiers are progressive: they do not impose a ceiling on retirement income, but the higher the tier, the greater the resident's monthly pension income in retirement. The choice of tier is the single most consequential financial decision a resident makes in their working life, and the Civic Pension Authority is required to communicate that consequence clearly, annually, and without jargon.

Tier	Resident Contribution	Civic Enterprise Contribution	Total Combined Rate
Basic	10% of gross salary	5% of gross salary	15% of gross salary
Medium	20% of gross salary	5% of gross salary	25% of gross salary
Top	30% of gross salary	5% of gross salary	35% of gross salary

**Note** — The Civic Enterprise contribution rate of 5% is fixed by constitutional Civic Rule and applies irrespective of the tier elected by the resident. It is not adjustable by employment contract, collective agreement, or Civic Enterprise policy.

## Article 10 — Civic Enterprise Mandatory Contribution

Every Civic Enterprise employing residents within the Commonwealth is constitutionally required to contribute 5% of each employee's gross salary to that employee's Civic Pension Fund, in addition to any resident-side contributions. This obligation:

- (a) Applies from the first day of employment, with no qualifying period.
- (b) Is not contingent on the employee's tier selection or contribution level.
- (c) Cannot be recouped, offset, or clawed back from the employee under any circumstances.
- (d) Applies to all forms of remuneration subject to Civic Income Tax, including salary, commission, bonuses, and taxable benefits in kind.
- (e) Is a tax-deductible operating cost for Civic Income Tax purposes for the Civic Enterprise.

The rationale for a mandatory enterprise contribution is actuarial: a pension funded solely by the individual employee at Basic Tier produces, for median earners, a fund at retirement that falls short of the Civic Living Pension floor by approximately 12 to 18% over a standard 40-year working life. The 5% enterprise contribution closes that gap and ensures that the Civic Pension Floor Guarantee — a cost ultimately borne by the Civic Pension Commons Reserve — is called upon only for the lowest earners and those with interrupted careers, not for the median working resident.

Civic Enterprises that fail to make mandatory contributions are subject to automatic financial consequences administered by the Civic Revenue Service, calculated at three times the missed contribution amount, recoverable as a Civic Debt. Persistent failure constitutes grounds for suspension of Civic Enterprise registration under the Civic Commerce Architecture.

## Article 11 — Contribution Administration and Payroll Processing

Contributions are collected at source through the Civic Payroll System, administered jointly by the Civic Revenue Service and the Civic Pension Authority. Resident-side contributions are deducted from gross salary before Civic Income Tax is assessed. Enterprise-side contributions are processed as a separate payroll line. Both are remitted to the Civic Pension Authority within seven working days of each payroll date.

The Civic Pension Authority credits each individual Civic Pension Fund within 48 hours of receipt of the remittance. Credits earn Pool investment returns from the date of credit. Late remittance by a Civic Enterprise results in a late-payment financial consequence calculated at the Bank of the NBI base rate plus 3% per annum on the outstanding amount, accruing daily.

The Civic Revenue Service maintains a Contribution Audit Programme conducting random and risk-based audits of Civic Enterprise payroll records. All Civic Enterprises are required to retain payroll records for a minimum of twelve years and to make them available to the CPA and Civic Revenue Service on demand within 48 hours.

## Article 12 — Pre-Tax Treatment of Contributions

Resident-side pension contributions are deducted from gross salary before Civic Income Tax is calculated. This means the effective cost to the resident of each pound contributed is reduced by their marginal rate of Civic Income Tax. Residents are advised to calculate their effective contribution cost accordingly when making tier decisions.

The investment growth credited to Civic Pension Funds within the Pool is exempt from all forms of Civic Tax during the accumulation phase. No tax arises on unrealised or realised gains within the Pool. This treatment applies to both resident-side and enterprise-side credits.

**Note** — *The pre-tax treatment of contributions is a constitutional feature of the Civic Pension Architecture, not a discretionary tax relief. It cannot be removed or limited by Assembly vote; it requires Civic Referendum.*

## Article 13 — Tier Election and Amendment

A resident selects their contribution tier on enrolment. The default tier for residents who do not actively select is Basic. Residents are strongly encouraged to make an active selection, and the Civic Pension Authority is required to send a personalised tier projection to every newly enrolled member within 30 days of enrolment, showing the projected retirement income under each tier.

Tier upgrades — moving from Basic to Medium, or from Medium to Top — may be made at any time by written notification to the Civic Pension Authority via the Civic Digital Portal. Upgrades take effect from the next payroll cycle.

Tier downgrades — moving to a lower tier — are permitted once per Civic Tax Year. A downgrade takes effect from the start of the following quarter. The restriction on the frequency of downgrades is designed to protect residents from making short-term financial decisions that harm their long-term retirement position.

Residents who wish to downgrade more than once within a Civic Tax Year may apply to the Civic Pension Authority for an Exceptional Downgrade Authorisation, which may be granted only on evidence of material financial hardship. Authorisations are granted for a specific period not exceeding 12 months, after which the tier returns to the resident's previous election unless a further application is made.

## Article 14 — Voluntary Additional Contributions

Members at any tier may make voluntary additional contributions to their Civic Pension Fund beyond the tier rate. There is no upper limit on voluntary additional contributions. Voluntary contributions receive the same pre-tax treatment as tier contributions, the same Pool investment returns, and the same protection under the constitutional guarantees of this Framework.

Voluntary additional contributions are particularly significant for residents who have experienced career interruptions, have entered employment later in life, or wish to retire in greater comfort than the floor guarantee would provide. The Civic Digital Portal scenario calculator is designed specifically to help residents understand the material difference additional contributions make over time.

### PART IV

## The Civic Pension Investment Pool

## Article 15 — Establishment and Legal Separation

The Civic Pension Investment Pool is established as a legally separate entity from the Civic Commonwealth, the Bank of the NBI, and all other public bodies. It holds assets on trust for individual Civic Pension Fund members. The assets of the Pool are not assets of the Civic Commonwealth for any purpose. They cannot be used as security for sovereign borrowing, deployed in Civic Commonwealth fiscal operations, or accessed in any emergency including a formal financial crisis.

The Pool is administered by the Bank of the NBI acting as Pool Manager, under a Pool Management Agreement entered into with the Civic Pension Authority. The Pool Manager is subject to the CPA's investment mandate and annual performance review. The CPA may remove and replace the Pool Manager, subject to a transition period of not less than six months to ensure orderly transfer of assets.

Individual Civic Pension Funds within the Pool are unitised: each member holds units in the Pool, and the value of those units rises or falls with Pool performance subject to the Smoothing Reserve mechanism described in Part V. The number of units held by each member is a matter of permanent public record on the Civic Pension Register.

## Article 16 — Investment Mandate

The Civic Pension Investment Pool operates under a tiered return objective, replacing the single fixed guarantee:

1. Primary Objective (Binding Floor)
  - Preserve capital in real terms over rolling five-year periods.
2. Secondary Objective (Credit Target)
  - Target CPI + 1.0% real annual growth.
3. Credit Guarantee Band
  - In normal operating conditions, individual funds are credited:
    - Minimum: CPI (0% real)
    - Target: up to CPI + 1.5% real, subject to Pool performance and Smoothing Reserve capacity.

## Article 17 — Asset Allocation

The Pool is invested in accordance with the following strategic asset allocation, reviewed every three years by the Civic Actuarial Board and subject to annual CPA approval:

Asset Class	Allocation	Rationale
NBI Inflation-Linked Bonds	25%	Sovereign instrument with CPI-linkage, directly matched to the Pool's CPI-plus growth mandate.
International Sovereign Bonds	15%	Geographic diversification; currency-hedged to Civic Commonwealth currency. Acts as buffer if domestic bonds underperform.
Infrastructure Bonds	20%	Long-duration, inflation-correlated returns aligned with the Pool's time horizon. Priority to NBI infrastructure projects where returns are comparable.
Investment-Grade Corporate Bonds	10%	Marginal yield enhancement above sovereign rates; risk controlled by investment-grade constraint and 30-issuer diversification minimum.
Civic Pension Smoothing Reserve (liquid instruments)	15%	Held in short-term NBI Civic Bills and cash equivalents. Primary source of shortfall credits in below-target years. Must remain liquid at all times.
Global Equity Index (Passive)	15%	
Smoothing Reserve (Liquid)	15%	

The total allocation sums to 100%. The Smoothing Reserve allocation is not a passive holding; the Bank of the NBI actively manages its yield to maximise returns within the constraint of full liquidity. In normal market conditions the Reserve itself contributes to overall Pool growth.

Tactical deviations of up to 5 percentage points from any single allocation band are permitted within a calendar year without CPA approval, provided the Pool Manager documents the rationale and restores the strategic allocation within 12 months. Deviations exceeding 5 percentage points require CPA written approval within 72 hours.

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## Article 18 — Prohibited Investments

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The following investment categories are permanently prohibited within the Pool, irrespective of yield, rating, or civic rationale:

- Equity securities of any description, including shares, depository receipts, equity-linked notes, and equity derivatives.
- Hedge fund instruments, leveraged loan structures, or any vehicle employing gross financial leverage exceeding 1.5 times net asset value.
- Commodities, commodity derivatives, or instruments whose primary return driver is commodity price movement.
- Assets secured against residential or commercial real estate within the Civic Commonwealth (to prevent the Pool from having an interest in the domestic housing market).
- Any instrument rated below investment grade (BBB- or equivalent) at the time of purchase. Instruments that fall below investment grade post-purchase must be disposed of within 90 days.
- Instruments denominated in currencies not covered by a current currency hedge programme approved by the CPA.

**Note** — *The prohibition on equity is deliberate. Equity produces higher average long-run returns than bonds but with substantially greater volatility. Given the Pool's obligation to credit 1.5% real returns annually and to maintain capital, equity exposure creates structural mismatch. The mandate targets a realistic, deliverable return profile rather than an optimistic one that depends on long run averages masking short-run catastrophe.*

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## Article 19 — Portfolio Rebalancing and Currency Management

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The Pool is rebalanced to its strategic allocation on the first working day of each quarter. Where the cost of rebalancing in a given quarter exceeds 0.15% of Pool net asset value, the Pool Manager may defer rebalancing by one quarter and document the decision in writing for CPA review.

All non-Commonwealth currency exposures arising from international sovereign bond and corporate bond holdings are hedged to the Civic Commonwealth currency using rolling currency forward contracts. The CPA sets the maximum permissible unhedged currency exposure at 5% of total Pool net asset value. Exposure beyond this level must be hedged within five working days.

## PART V

# Growth Target and Smoothing Architecture

### Article 20 — The 1.5% Real Annual Growth Target

The Civic Pension Investment Pool operates against a constitutional target of 1.5% real annual growth above the Civic Price Index in each calendar year. This target is a constitutional obligation of the Bank of the NBI as Pool Manager and the Civic Pension Authority as mandate-setter. It is not a performance aspiration; it is a design constraint that determines the entirety of the investment architecture in Part IV.

In years where actual Pool growth meets or exceeds the 1.5% real target, individual Civic Pension Funds are credited with the full target return as their guaranteed minimum credit for that year. Any Pool growth in excess of the 1.5% real target is allocated as follows:

- (a) The first 50% of excess above the target is credited proportionally to individual Civic Pension Funds above the minimum, increasing their annual return in that year.
- (b) The remaining 50% is directed to the Civic Pension Smoothing Reserve until the Reserve reaches its target level of 15% of total Pool net asset value. Once the Reserve is at target level, this 50% is also credited to individual Funds.

This architecture means that in strong market years, all members benefit from above-target returns, while the Reserve is simultaneously rebuilt for future protection. Members are never denied the benefit of good years in order to fund a reserve.

### Article 21 — The Civic Pension Smoothing Reserve

The Smoothing Reserve is the primary protection mechanism against short-term market volatility. It operates as follows:

1. The absolute prohibition on nominal loss is replaced with:

No individual fund shall experience:

A nominal loss greater than 2% in any single year, OR

A net nominal loss over any rolling three-year period

The Smoothing Reserve is deployed to enforce these constraints.

In extreme conditions, temporary deviation is permitted only under Structural Crisis Protocol.

The Reserve's adequacy is reviewed quarterly by the CAB. If the Reserve falls below 10% of Pool net asset value due to consecutive draw events, the CAB issues a Reserve Alert to the CPA, triggering the crisis protocols in Article 22.

**Note** — *The Smoothing Reserve architecture means that the 2% real target operates as a credit guarantee in normal years, and the zero-nominal-loss guarantee operates as an absolute floor in all years. Members can plan their retirement finances on the basis of these guarantees without reference to market conditions in any given year.*

## Article 22 — Structural Crisis Protocol

A Structural Crisis is declared by the Civic Actuarial Board where any of the following conditions are met:

**Effect:** avoids institutionalising panic selling.

- (a) The Pool experiences negative nominal returns in two consecutive calendar years.
- (b) The Pool experiences a nominal loss exceeding 15% of net asset value in a single calendar year.
- (c) The Smoothing Reserve falls below 5% of Pool net asset value following drawdowns.
- (d) The CAB determines, on actuarial grounds, that the Pool faces structural insolvency within seven years under reasonable base-case projections.

On declaration of a Structural Crisis, the following measures are activated in sequence and in full:

### 1. During Structural Crisis:

- (a) No forced liquidation policy:
- (b) Sovereign and high-grade bonds are held to maturity where advantageous.

Phased de-risking, not full exit:

Maximum 40% temporary allocation to short-term instruments.

- (c) Counter-cyclical reinvestment mandate:

The Pool is explicitly permitted to increase long-duration holdings during depressed markets.

- (d) CPI protection continues, funded by Commons Reserve.

The Structural Crisis protocol does not alter, defer, or reduce any pension already in payment. Residents in drawdown continue to receive their full monthly Civic Pension Income throughout a Crisis. The obligation falls on the Civic Pension Commons Reserve.

## Article 23 — Restoration to Active Investment

The CAB certifies restoration to active investment when all of the following conditions are satisfied:

- (a) The Pool's existing bond holdings, including those held to maturity during the Crisis, have recovered to within 5% of pre-Crisis net asset value.

- (b)** Market conditions, assessed using the CAB's approved stress test models, indicate a probability of at least 75% that the Pool can meet its 1.5% real growth target in the 12 months following restoration.
- (c)** The Civic Pension Commons Reserve holds sufficient assets to fund CPI-matching credits for all members for a further 12 months without additional support.

Restoration is a phased process over 12 months: the Pool re-enters its strategic allocation gradually, beginning with NBI Civic Bonds and international sovereign bonds, followed by infrastructure bonds, and finally corporate bonds. The phased approach minimises market impact and allows the portfolio to be reconstructed at advantageous entry points.

## PART VI

# The Civic Pension Floor Guarantee

### Article 24 — Principle and Constitutional Basis

The Civic Pension Floor Guarantee is the foundational promise of the Civic Commonwealth to every qualifying resident: that they will not retire into poverty. Irrespective of salary level, career interruptions, or the performance of their accumulated fund, every qualifying resident receives at minimum the Civic Living Pension from age 65 until death.

The Guarantee is a constitutional obligation of the Civic Commonwealth, not a discretionary benefit. It is enforceable in the Civic Constitutional Court. No Assembly may vote to remove, restrict, or condition it. No fiscal emergency suspends it. It is the pension equivalent of the Civic Commonwealth's duty to maintain the rule of law: an obligation so fundamental that its suspension would constitute a breach of the civic contract itself.

### Article 25 — Qualification for the Floor Guarantee

A resident qualifies for the Civic Pension Floor Guarantee upon reaching retirement age where they have:

- (a)** A minimum of 20 years of registered contribution to the Civic Pension Scheme, including years of credited non-employment under Part VIII; or
- (b)** A combination of registered contribution years and certified non-contributor years under Articles 36 and 37 totalling 20 years; or
- (c)** The Floor Guarantee remains universal, but:
  - Where total retirement income exceeds  $3 \times$  Civic Living Pension:
  - Floor Top-Up is reduced by 25% of the excess above threshold
  - This applies only to:
  - Top-Up component
  - Not the core Civic Pension entitlement.

Residents with fewer than ten qualifying years receive no Floor Guarantee. They receive only the income their accumulated Fund can sustain on an actuarial basis.

**Note** — *The 20-year threshold is set at half a standard 40-year working life. A resident who contributes for the majority of their working life should not face penury in retirement because their salary was low. The threshold prevents the Guarantee from becoming a default for residents who have not participated in the productive life of the Commonwealth at all.*

## Article 26 — Calculation and Payment of Floor Top-Up

The Civic Actuarial Board calculates, for each resident approaching retirement, the monthly income that the resident's accumulated Fund can sustain over the standard actuarial drawdown period (Article 54). Where this figure falls below the Civic Living Pension, the shortfall is the Floor Top-Up amount.

The Floor Top-Up is paid monthly by the Civic Pension Authority from the Civic Pension Commons Reserve, directly to the resident's registered Civic Financial Account on the same payment date as their accumulated Fund income. The resident receives a single monthly Civic Pension Income inclusive of both elements; the disaggregation is recorded in the resident's Civic Pension Account for audit purposes but is not visible in standard resident communications.

The Floor Top-Up is uprated annually in line with the Civic Price Index, in the same way as all pension income. Where the resident's accumulated Fund grows in real terms during retirement (which is possible where the Fund has not been fully depleted and continues to be invested), the CPA recalculates the Top-Up annually at the April uprating and reduces it proportionally if the Fund income has increased.

## Article 27 — The Civic Pension Commons Reserve

The Civic Pension Commons Reserve is a constitutionally protected fund established to finance the Civic Pension Floor Guarantee, Structural Crisis CPI credits, non-employment contribution credits, and international portability commitments. It is legally separate from the Civic Pension Investment Pool and from all Civic Commonwealth general revenues.

The Reserve is funded from three sources:

1. **The Civic Payroll Levy:** a mandatory levy of 0.35% of gross payroll paid quarterly by all Civic Enterprises to the Civic Pension Authority. This is the primary funding mechanism. At a Commonwealth-wide payroll of approximately £1.4 trillion annually, the Levy generates approximately £4.9 billion per year. The CAB reviews the Levy rate every five years against Reserve adequacy projections and may recommend adjustments of up to 0.15 percentage points without Civic Referendum; larger adjustments require Referendum.
2. **Investment Returns:** the Reserve is invested in NBI Civic Bonds (long-dated, inflation-linked). Returns are reinvested until the Reserve reaches its target size of 12% of total Pool net asset value, after which returns are directed to reducing the following year's Payroll Levy requirement.
3. **Private Pension Drawdown Levy:** a 5% levy on all private pension income in drawdown, collected by the Civic Revenue Service and remitted to the Reserve quarterly (Article 60).

The Reserve is managed by the CPA under investment guidelines set by the CAB. It may not be invested in equities, commodities, or any instrument with a duration exceeding 20 years. The target Reserve size of 12% of Pool net asset value is maintained at all times; where the Reserve falls below 8% of Pool net asset value, the Payroll Levy is increased automatically by 0.05 percentage points until adequacy is restored.

## PART VII

# Constitutional Guarantees and Payment Architecture

### Article 28 — The Minimum Payout Guarantee

The Civic Commonwealth provides a constitutionally binding guarantee to every resident who has reached retirement age and commenced drawdown: their monthly Civic Pension Income will not fall below the amount they received in their first month of drawdown, at any point for the remainder of their life. This guarantee:

- (a) Is absolute. It applies irrespective of Pool performance, Reserve levels, inflation, fiscal conditions, or any other circumstance.
- (b) Is indexed. From 1 April in each year, the guaranteed minimum rises by the preceding year's CPI. It can therefore only increase; it cannot fall.
- (c) Is constitutionally enforceable by the resident in the Civic Constitutional Court without cost and without the requirement for legal representation.
- (d) Is not subject to means-testing. A resident who also holds substantial private wealth receives the full Civic Pension guarantee without reduction.

The distinction between the Floor Guarantee (a minimum income at the Civic Living Pension level) and the Minimum Payout Guarantee (no reduction in the income once commenced) is significant. The Floor Guarantee defines the entry point; the Minimum Payout Guarantee defines the trajectory: always upward, never down.

### Article 29 — Annual Inflation Up-rating

All pension income in payment — accumulated Fund drawdown, Floor Top-Up, and payments to non-employment beneficiaries — is up-rated automatically on 1 April each year by the preceding calendar year's CPI. The Civic Pension Authority implements up-rating without any resident application, notification, or action. Residents receive an updated Civic Pension Statement reflecting the new monthly figure by 7 April each year.

The up-rating applies equally to the Civic Living Pension benchmark used in Floor Guarantee calculations, ensuring that the Floor rises with the cost of living in each year. A resident whose Floor Top-Up is up-rated, and whose Fund income is also up-rated, receives the benefit of both increases.

In the event that the CPI is negative in any year (i.e., deflation), pension incomes in payment are held at their current level. They are not reduced to reflect falling prices. The principle is asymmetric by design: residents bear the benefit of inflation protection but are shielded from the real-income erosion that deflation might appear to justify.

## Article 30 – Payment Mechanics

All Civic Pension Income is paid monthly in arrears on the 25th of each calendar month to the resident's nominated Civic Financial Account. Where the 25th falls on a weekend or public holiday, payment is made on the preceding working day. Payment is made in a single combined transfer; the breakdown between Fund drawdown and Floor Top-Up (where applicable) is available in the resident's Civic Digital Portal account but does not appear on payment records.

Residents who do not hold a Civic Financial Account may nominate a third-party account held by a close family member, subject to written consent and CPA registration. Where no account is available, the CPA arranges payment by quarterly Civic Payment Order at the resident's registered address. The CPA may not withhold payment pending resolution of any administrative dispute; disputed payments are made in full while the dispute is investigated.

Note: The retirement age remains 65 but gains an automatic review trigger:

**(a)** A formal review is initiated if:

Life expectancy increases by >3 years over baseline, OR  
Worker-to-retiree ratio falls below 2:1

**(b)** The review:

Does not automatically change age.  
But mandates referendum consideration.

### PART VIII

## Between-Employment Continuity

## Article 31 – The Contribution Continuity Guarantee

A resident who becomes involuntarily unemployed – defined for this purpose as loss of employment through redundancy, business closure, Civic Enterprise insolvency, or termination without Civic Grounds – retains the right to contribution continuity into their Civic Pension Fund for a period of up to three calendar months following the date of unemployment.

During the continuity period, the Civic Commonwealth credits the resident's Civic Pension Fund each month as though the resident were employed at the Civic Living Wage at their previously elected tier. The credit comprises both the resident-side and enterprise-side components of the tier, funded from the Civic Pension Commons Reserve. This arrangement:

- (a)** Is a credit to the Fund – not a payment to the resident and not an early pension drawdown.
- (b)** Maintains the resident's contribution record without gap, which is material to the minimum qualifying years for the Floor Guarantee.
- (c)** Is calculated on the Civic Living Wage, not on the resident's previous salary. This is deliberate: the guarantee is a continuity mechanism, not a salary replacement.

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## Article 32 – Qualification Conditions

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The Contribution Continuity Guarantee applies where all of the following conditions are satisfied:

1. The resident has been in continuous registered employment for a minimum of 18 months immediately prior to the unemployment event. Periods of approved leave (Civic Parental Leave, Civic Carer's Leave, and registered Civic Sick Leave of up to 52 weeks) count as continuous employment for this purpose.
2. The resident is actively registered with the Civic Employment Service within 14 days of the unemployment event and is engaged in employment-seeking, retraining, or an approved Civic Employment Programme.
3. The unemployment is certified as involuntary by the Civic Employment Service. Voluntary resignation, mutually agreed departure, and self-employment cessation do not qualify unless accompanied by evidence of exceptional personal circumstances.
4. The resident has not already used the Guarantee on more than two occasions in the preceding ten years. Each use is registered in the resident's CPA record.

The Civic Employment Service makes its determination on the involuntary/voluntary question within ten working days of registration. A resident who disagrees with the determination may appeal to a Civic Justice Panel within 28 days; the Guarantee continues to apply provisionally during the appeal period.

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## Article 33 – Extended Continuity for Long-Service Residents

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A resident who has been in continuous registered employment for ten or more years, and who satisfies all conditions in Article 32, receives an extended Contribution Continuity Guarantee of five calendar months rather than three. The extended period recognises the particular disruption that mid-to-late career unemployment causes, the greater difficulty of rapid re-employment at higher experience levels, and the disproportionate impact of contribution gaps on residents closer to retirement.

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## Article 34 – Career Interruptions for Approved Leave

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The following leave categories result in automatic contribution credits during the leave period, funded by the Civic Commonwealth from the Civic Pension Commons Reserve, without any application by the resident:

- (a) Civic Parental Leave: full tier-rate credits at the resident's actual salary for the first 26 weeks; Civic Living Wage tier-rate credits for weeks 27 to 52.
- (b) Civic Carer's Emergency Leave: full tier-rate credits at the resident's actual salary for up to 12 weeks per calendar year.
- (c) Registered Civic Sick Leave: full tier-rate credits at the resident's actual salary for the first 52 weeks of a continuous sickness absence certified by a registered Civic Health Practitioner.

These provisions do not reduce the Contribution Continuity Guarantee entitlement. A resident who completes a period of Civic Parental Leave and is subsequently made redundant retains the full Guarantee, provided the 18-month continuous employment condition is met counting the leave period as employment.

## Article 35 — Voluntary Non-Contributors

A resident who is assessed by the Civic Employment Service as capable of employment, and who declines available Civic Employment Placement without Civic Grounds, is classified as a Voluntary Non-Contributor. The consequences of this classification are:

- (a) No Contribution Continuity Credits are made to the resident's Fund for the period of classification.
- (b) No Civic Commonwealth credits are made to the Fund under any other provision of this Part.
- (c) The period of Voluntary Non-Contributor status does not count as a qualifying year for the purposes of the Floor Guarantee minimum qualifying threshold.
- (d) The resident's accumulated Fund remains intact and continues to be invested within the Pool, earning Pool returns. The Civic Commonwealth does not access, penalise, or reduce the resident's existing Fund.

Classification as a Voluntary Non-Contributor is reviewable. A resident who subsequently takes up employment, retraining, or approved non-employment activity under Part VIII immediately ceases to be classified as a Voluntary Non-Contributor. The classification has no effect on contributions or qualifying years prior to its commencement.

### PART IX

## Non-Employment Provisions

## Article 36 — Registered Civic Carers

A resident who provides unpaid care to a dependent family member, a registered disabled resident, or an elderly person requiring substantial daily assistance qualifies as a Registered Civic Carer where the care:

- (a) Is provided for a minimum of 20 hours per week, evidenced by the care recipient's Civic Health record or a Civic Care Assessment.
- (b) Has been or is expected to be provided for a minimum of three years in aggregate.
- (c) Is registered annually with the Civic Care Registry, operated by the Civic Health Architecture.

Registered Civic Carers receive Civic Commonwealth contribution credits to their Civic Pension Fund equivalent to Basic Tier contributions (15% combined rate) calculated on the Civic Living Wage, for each year of registered caring. These credits are funded from the Civic Pension Commons Reserve. They accumulate within the Pool in the same way as employment contributions, and the Carer's Fund is subject to the same guarantees as all other Funds.

A resident who alternates between employment and registered caring retains contribution history from both periods. Employment contributions and caring credits are additive in calculating qualifying years for the Floor Guarantee.

Caring credits cease immediately on cessation of the caring relationship or deregistration from the Civic Care Registry. Where caring ceases involuntarily — through the death of the care recipient or

their entry into Civic residential care — the resident receives three months of continued caring credits as a transition provision before their status is reassessed.

## **Article 37 — Residents Unable to Work Through Incapacity**

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A resident who is physically or mentally unable to undertake any form of paid employment, assessed and certified by a Civic Medical Assessment Panel, receives Civic Commonwealth contribution credits to their Civic Pension Fund equivalent to Basic Tier contributions at the Civic Living Wage for each year of certified incapacity. These credits are funded from the Civic Pension Commons Reserve.

The purpose of this provision is to ensure that a resident who has had the misfortune of incapacity during their working-age years does not face destitution in retirement through no fault of their own. It is a civic obligation, not a welfare payment.

## **Article 38 — Civic Medical Assessment Panel**

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Certification of incapacity for employment purposes under Article 37 requires assessment by a Civic Medical Assessment Panel constituted as follows:

1. Three registered Civic Health Practitioners, of whom at least one must hold a relevant specialist qualification in the medical area pertaining to the resident's incapacity.
2. No Panel member may have previously held a treating relationship with the resident being assessed.
3. The Panel operates on the basis of the CAB's published functional assessment criteria, which define incapacity by reference to capacity for employment, not diagnosis. A diagnosis alone does not constitute incapacity; the assessment concerns whether the resident can perform any form of sustainable paid work.

Annual review is required for all certifications. Review panels comprise two Civic Health Practitioners: the specialist from the original panel and one additional practitioner. Where a resident's capacity improves, the certification is amended or withdrawn, and the resident re-enters the standard Civic Pension Scheme from the date of amendment. Contribution credits received during the incapacity period are not reclaimed.

A resident who disagrees with a Panel determination may appeal to the Civic Health Appeals Panel, which operates within the Civic Justice Architecture, within 42 days of the determination. The resident continues to receive incapacity credits during the appeal period.

## **Article 39 — Residents Outside All Qualifying Categories**

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A resident who has no contribution history, no registered caring credits, and no certified incapacity credits receives no Civic Pension entitlement from the Civic Commonwealth other than whatever private pension provision they have made for themselves. They are not entitled to the Floor Guarantee. They may access Civic Security Architecture basic subsistence provisions if they meet the eligibility criteria of that Framework, but those provisions are governed by a separate instrument and are not pension instruments.

This category is deliberately narrow. The provisions of Parts VIII and IX together ensure that virtually every resident who engages with the productive and caring life of the Commonwealth — whether through paid work, registered caring, or involuntary incapacity — accumulates qualifying years. The category of residents genuinely outside all qualifying categories is expected, in practice, to be very small.

## PART X

# Retirement and Drawdown Architecture

## Article 40 – Standard Retirement Age

The standard retirement age in the Civic Commonwealth is 65. All residents reaching age 65 are entitled to commence drawdown of their Civic Pension Fund from the first day of the month following their 65th birthday. Early retirement before age 65 is not supported under this Framework: the architecture is calibrated for a 40-year contribution period, and early drawdown would both reduce the accumulated fund and extend the drawdown period, creating a double actuarial cost that the Guarantee architecture cannot absorb.

A resident who wishes to cease employment before age 65 is not required to continue contributing to the Scheme. Their Fund continues to be invested within the Pool, earning returns, until drawdown commences at 65. However, no Civic Commonwealth credits are made to the Fund during any pre-65 period of voluntary non-employment, and this period does not count as a qualifying year.

***Note** – The retirement age is constitutionally entrenched. It may be altered only by Civic Referendum with a 60% supermajority, following a CAB actuarial report and a minimum three-year public consultation period. Any increase in the retirement age must be phased in over a minimum of ten years.*

## Article 41 – Retirement Notification and Actuarial Assessment

A resident intending to commence drawdown must notify the Civic Pension Authority not less than three calendar months before their intended drawdown commencement date. The CPA, within 28 days of notification:

1. Commissions the CAB to conduct an individual Actuarial Assessment, calculating the resident's projected monthly Civic Pension Income based on accumulated Fund value at notification date, the current actuarial drawdown tables, and the applicable Floor Guarantee calculation.
2. Provides the resident with a Final Pension Statement confirming their monthly income figure, the Floor Top-Up amount (if applicable), the annual uprating mechanism, the Minimum Payout Guarantee, and their Civic Beneficiary record.
3. Confirms the first payment date, which is the 25th of the month following drawdown commencement.

The three-month notification period is a design requirement, not a discretionary rule. It allows the CPA to crystallise the Fund's unit value at an appropriate date, complete the actuarial calculation, and administer the first payment without error.

## Article 42 – Drawdown Calculation Methodology

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The monthly Civic Pension Income figure is calculated on an actuarial basis using the following inputs:

1. The resident's accumulated Civic Pension Fund value at the notification date, including all credited Pool returns and Smoothing Reserve allocations.
2. The CAB's current life expectancy tables, updated every five years, which provide a base-case life expectancy figure and a 90th-percentile longevity estimate by age and health profile.
3. A standard drawdown horizon set at the 90th-percentile longevity estimate for the resident's cohort. This means the Fund is sized to last beyond the age that 90% of residents in that cohort are expected to live. The use of the 90th percentile rather than the median protects residents from outliving their funds.
4. An assumed residual Pool return of 1.0% real per annum during drawdown, applied conservatively below the 1.5% target to create a buffer against drawdown-phase underperformance.

The monthly income figure is reviewed and recalculated annually at each April uprating, incorporating: the CPI increase, any improvement in residual Fund value above the conservative projection (which can increase income), and any Floor Top-Up adjustment arising from Fund growth.

## Article 43 – The Longevity Supplement

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A resident who reaches an age beyond the 90th-percentile longevity estimate used in their original drawdown calculation – and whose accumulated Fund has consequently been fully depleted – continues to receive the Civic Living Pension in full, funded entirely by the Civic Pension Commons Reserve. This provision is called the Longevity Supplement.

The Longevity Supplement is not means-tested and requires no application. The CPA identifies residents approaching fund depletion through quarterly actuarial monitoring and automatically transitions them to Supplement payment before any shortfall arises. Residents are not required to report their financial position or make any declaration.

The Longevity Supplement is a constitutional obligation of the same status as the Floor Guarantee. It recognises that the greatest civic failure in pension design is allowing a resident who has lived honourably into extreme old age to face poverty because their Fund has been outlived.

## Article 44 – Deferred Retirement

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A resident who elects to defer drawdown beyond age 65 continues to accumulate Fund growth within the Pool. The deferral is entirely voluntary and may be of any duration. There is no upper age limit on deferral, and no requirement to explain or justify the decision to defer.

The actuarial effect of deferral is significant: a longer accumulation period produces a larger Fund, and a shorter remaining drawdown period produces a higher monthly income from that larger Fund. The combined effect is non-linear: each year of deferral produces more than a proportionate increase in monthly income. The Civic Digital Portal scenario calculator models this effect for each resident at any given deferral age.

Deferred residents continue to contribute to the Scheme at their elected tier if they remain in employment. Residents who defer but have ceased employment do not receive Civic Commonwealth credits during the deferral period beyond those they would be entitled to under Part VIII if applicable.

## PART XI

# Private Pension Interface

### Article 45 – Permissibility and Design Principle

Private pension arrangements are fully permitted within the Civic Commonwealth. Residents may operate any combination of: workplace savings vehicles, private annuities, individual savings accounts used for retirement purposes, and private investment portfolios designated for retirement. There is no restriction on the amount accumulated in private arrangements, no prohibition on the instruments used, and no required connection to the Civic Pension Scheme.

The design principle is that the Civic Pension Scheme provides the floor; private arrangements build the ceiling. Residents who contribute at higher tiers and supplement with private savings can accumulate retirement income substantially above the Civic Living Pension. This is by design: the Framework is not egalitarian in outcomes, only in minimum guarantees.

### Article 46 – Private Pension Drawdown Levy

Private pension income drawn down in retirement from any private arrangement is subject to the Civic Private Pension Drawdown Levy of 5%. The Levy is:

- (a) Applied to the gross private pension income received in each calendar year, regardless of amount.
- (b) Collected at source by the registered private pension provider, who remits it to the Civic Revenue Service quarterly.
- (c) Ring-fenced entirely to the Civic Pension Commons Reserve and used exclusively to fund the Floor Guarantee, Longevity Supplement, and non-employment contribution credits.
- (d) Not applied to fund accumulation, fund growth, fund transfers between private vehicles, or lump-sum tax-free entitlements existing at the date of Commonwealth establishment.

The Levy rate of 5% is fixed by constitutional Civic Rule. It reflects the principle that residents who have accumulated private pension wealth have done so within an economy and legal system maintained by the Commonwealth, and their contribution to the Floor Guarantee for their fellow residents is a modest and proportionate civic obligation.

### Article 47 – Interaction Between Private Pensions and the Civic Floor Guarantee

Private pension income does not reduce a resident's entitlement to Civic Pension Floor Top-Up. The Floor Guarantee applies to the resident's Civic Pension income; private pension income is a separate matter. A resident whose Civic Pension Fund generates £800 per month and whose private pension generates £2,000 per month is still entitled to a Floor Top-Up on their Civic Pension income if £800 is below the Civic Living Pension.

This principle is not paradoxical. A resident who contributes conscientiously to private arrangements is not penalised by receiving a lower Civic Pension Floor top-up: their combined income will

substantially exceed the Civic Living Pension. The Floor Guarantee addresses the Civic Pension component; it does not perform a means test across all income sources.

**Note** — *This design choice has a cost. Residents with substantial private income receiving small Floor Top-Ups represent a real call on the Commons Reserve. The CAB models this cost annually. In practice, residents with substantial private pensions almost always have longer contribution histories and higher salaries, and their Civic Pension Funds are therefore more likely to exceed the Floor threshold without top-up. The budgetary exposure is manageable.*

## Article 48 — Overseas Pension Assets

Residents who transfer to the Civic Commonwealth from jurisdictions outside the Commonwealth may bring overseas pension assets with them, subject to the following:

- (a) Overseas pension assets transferred into a Civic Pension Fund are accepted at the prevailing exchange rate and invested within the Pool from the date of transfer.
- (b) A transfer levy of 1.5% of the transferred value applies, ring-fenced to the Civic Pension Commons Reserve.
- (c) Transferred assets count toward the qualifying period calculation for the Floor Guarantee, prorated at 75% of their value relative to a year's domestic contributions at Basic Tier.
- (d) Overseas pension assets transferred into a private arrangement within the Commonwealth are subject to the Private Pension Drawdown Levy in the normal way on drawdown.

### PART XII

## Taxation Architecture

## Article 49 — Non-Taxable Status of Civic Pension Income

All pension income received from the Civic Pension Scheme — comprising Fund drawdown, Floor Top-Up, and Longevity Supplement — is constitutionally exempt from all forms of Civic Income Tax for the life of the recipient. This exemption is absolute and unconditional. It applies irrespective of the amount of Civic Pension Income received, the recipient's other income, or the aggregate of their estate.

The non-taxable status of Civic Pension income is a constitutional guarantee, not a discretionary tax relief. It is established here rather than in the Civic Tax Framework because it is a feature of the pension architecture itself, and because the pension architecture must be legible to residents without reference to external documents. It may be removed only by Civic Referendum with a 60% supermajority.

The fiscal cost of this exemption is real and material. The CPA calculates and publishes the foregone revenue figure annually as part of the Civic Pension Authority's accounts, so that Civic Assemblies and residents have full visibility of the true cost of the guarantee. Transparency of cost is not the same as permissibility of removal: the cost is published precisely so that residents can make informed democratic judgments about whether it is well spent.

## Article 50 – Tax Treatment of Contributions

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Resident-side pension contributions are deducted from gross salary before Civic Income Tax is assessed. The effective cost of each pound contributed is therefore reduced by the resident's marginal Civic Income Tax rate. This treatment is symmetrical with the tax on drawdown: contributions are made from pre-tax income, and drawdown is received tax-free. The Fund growth in between is also tax-free. This architecture avoids double taxation and is the standard design of all fiscally coherent pension systems.

Enterprise-side contributions are a pre-tax operating cost of the Civic Enterprise and are deducted from Civic Enterprise Income before Corporation Tax is assessed. They are not subject to payroll taxes or employee benefit charges.

## Article 51 – Tax Treatment of Fund Growth

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All investment returns credited to Civic Pension Funds within the Pool – whether from bond coupon payments, capital gains on portfolio rebalancing, or Smoothing Reserve top-ups – are exempt from all Civic Tax during the accumulation phase. No tax event arises within the Pool. Tax arises only at the point of drawdown, and at that point the non-taxable status of Civic Pension Income means that no tax is due.

Private pension vehicles remain subject to their own tax treatment under the Civic Tax Framework. The Civic Pension Scheme's tax-exempt accumulation and tax-free drawdown is unique to the Civic Scheme and does not extend to private arrangements.

### PART XIII

## Death, Transfer, and Beneficiary Architecture

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## Article 52 – Civic Beneficiary Nomination

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Every resident enrolled in the Civic Pension Scheme nominates a Civic Beneficiary at the point of enrolment. The Beneficiary may be any person: a family member, friend, partner, or any other individual the member chooses. There is no restriction on who may be nominated and no requirement to justify the nomination. The Beneficiary record is held on the Civic Pension Register and may be updated at any time by the member through the Civic Digital Portal.

A member who does not make an active nomination defaults to the following hierarchy: surviving spouse or civil partner; surviving dependent children in equal shares; surviving parents in equal shares; and failing all of the above, the Civic Pension Commons Reserve. Members are strongly encouraged to make an active nomination and are reminded to review it at each annual Civic Pension Statement.

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## Article 53 – Death Before Retirement

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Where a member dies before reaching retirement age, their entire accumulated Civic Pension Fund is paid to the nominated Civic Beneficiary as a single lump sum within 60 days of the CPA receiving a certified death notification. The lump sum:

- (a) Is calculated as the full Fund value at the date of death, valued at the most recent unit price.
- (b) Is exempt from Civic Inheritance Tax. The Fund represents deferred wages already subject to the contribution and tax architecture of this Framework; taxing it again on death would constitute double taxation.
- (c) Is paid directly to the Beneficiary's registered Civic Financial Account. Where the Beneficiary does not hold a Civic Financial Account, the CPA arranges payment by alternative means within the 60-day window.

Caring credits and incapacity credits accumulated under Part IX but not yet converted into Fund units at the date of death are also crystallised and paid to the Beneficiary, calculated as the capital equivalent of the outstanding credit at the Pool's current unit price.

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## Article 54 – Death During Retirement

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Where a member dies during the drawdown period, the following treatment applies:

1. The residual Fund value — i.e., the total Fund at retirement commencement less all drawdown payments made since — is calculated at the date of death at current Pool unit value.
2. The residual Fund value, if positive, is paid to the nominated Civic Beneficiary as a lump sum, exempt from Civic Inheritance Tax.
3. Where the resident's Fund was fully depleted and their income was being paid entirely from the Floor Guarantee or Longevity Supplement, no residual Fund value exists and no payment is made to the Beneficiary. The Guarantee is a civic payment for the resident's lifetime; it does not create an inheritable asset.

The distinction between Situations 2 and 3 is important and is communicated clearly in the Final Pension Statement issued at retirement commencement. Residents whose Fund is expected to be depleted before their actuarial life expectancy are informed of this at retirement. The Longevity Supplement ensures this creates no income risk; it does create an inheritance consequence that residents may wish to address through private arrangements.

## PART XIV

# Transition from the United Kingdom System

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## Article 55 — Recognition of Accrued UK State Pension Entitlements

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Residents who have accrued National Insurance contribution records under the United Kingdom's State Pension system prior to the establishment of the Civic Commonwealth retain their entitlement to those accrued benefits. The Civic Commonwealth recognises accrued UK State Pension entitlements as a constitutional debt of the Commonwealth, inherited alongside the assets and obligations of the UK system, and will honour them in full.

Accrued UK State Pension entitlements are converted to a Civic Pension Transition Credit, calculated as follows: the resident's accrued UK State Pension weekly figure, converted to a monthly amount, is capitalised at the CAB's long-run discount rate into a Fund equivalent value and credited to the resident's Civic Pension Fund at the date of Commonwealth establishment. This credit is indistinguishable from accumulated contribution credits within the Fund and earns Pool investment returns from the date of credit.

Residents who were already drawing UK State Pension at the date of Commonwealth establishment continue to receive that payment as a Civic Pension Transition Payment, uprated annually in line with the higher of CPI or 2.5%. The Minimum Payout Guarantee applies from the date of Commonwealth establishment.

## Article 56 — Occupational Pension and NEST Pension Transfer

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Residents holding assets in UK occupational pension schemes, NEST, or other defined contribution pension vehicles at the date of Commonwealth establishment may elect to:

- (a) Transfer their assets into their Civic Pension Fund, at the prevailing unit value and subject to a waived transfer levy for an initial period of five years from Commonwealth establishment; or
- (b) Retain their assets in the existing vehicle, subject to a compliance regime administered by the Civic Pension Authority, including minimum reporting standards and investment restriction standards equivalent to the Pool's prohibited investment list.

Where residents elect to retain assets in existing vehicles, those assets are subject to the Private Pension Drawdown Levy on drawdown. Where they transfer into the Civic Pension Fund, the full architecture of this Framework applies.

## Article 57 — Defined Benefit Legacy Obligations

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Residents holding accrued rights under UK defined benefit (final salary) occupational pension schemes occupy a distinct position. Their rights constitute legal obligations of their former employers, not of the UK State. The Civic Commonwealth's obligations in this area are:

- (a) To regulate defined benefit schemes operating within the Commonwealth under the Civic Pension Authority's licensing regime.
- (b) To maintain the Civic Pension Protection Fund (an instrument modelled on the UK's Pension Protection Fund but constitutionally separated from the Pool) to provide compensation where a Civic Enterprise sponsoring a defined benefit scheme becomes insolvent and the scheme is insufficiently funded.
- (c) To honour the Pension Protection Fund obligations inherited from the UK at the date of Commonwealth establishment, which are treated as constitutional debts of the Commonwealth.

## PART XV

# Fiscal Sustainability Architecture

## Article 58 — Annual Actuarial Review

The Civic Actuarial Board conducts a full actuarial review of the Civic Pension Architecture in its entirety every year. The review assesses:

- The adequacy of current contribution rates to fund the Floor Guarantee without excessive call on the Commons Reserve.
- The adequacy of the Commons Reserve under base-case, adverse, and stressed scenarios.
- The sustainability of the Payroll Levy rate over a 30-year horizon.
- The actuarial life expectancy tables and their impact on drawdown calculations.
- The Smoothing Reserve level relative to its 15% target and its adequacy under stress scenarios.
- The projected cost of Longevity Supplement payments over a 50-year horizon.
- The impact of demographic change — birth rates, net migration, and age distribution — on contributor to beneficiary ratios.

The Annual Actuarial Review Report is published in full within 60 days of the review completion date. It is a public document, presented to the relevant Civic Assembly for information, available on the Civic Pension Authority website, and summarised in accessible language for the Civic Public Information Service.

E.G. Dynamic Payroll Levy

Replace static levy with:

Base: 0.35%

Automatic adjustment:

+0.05% when Reserve <10%

+0.10% when Reserve <8%

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Maximum: 0.75% without referendum

## **Article 59 – Long-Range Fiscal Projection**

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The CAB publishes a 50-Year Long-Range Fiscal Projection every five years, aligned with the review of the actuarial life expectancy tables. The Projection models the total cost of the pension architecture – Floor Guarantee payments, Longevity Supplement payments, non-employment credits, and transition obligations – against projected contribution revenues and Reserve returns, under four scenarios: base case, high migration, low birth rate, and economic contraction.

Where the 50-Year Projection identifies a structural funding gap under the base-case scenario, the CAB must, within 12 months of publication, submit to the CPA a Fiscal Stabilisation Recommendation setting out the minimum adjustments required – which may include Payroll Levy increases, contribution tier minimum rate adjustments, or retirement age review recommendations – to restore long-range balance. The CPA presents the Recommendation to the Civic Constitutional Assembly.

No adjustment arising from a Fiscal Stabilisation Recommendation may reduce any pension already in payment, alter the non-taxable status of Civic Pension income, or alter the Floor Guarantee for residents who have already commenced or are within five years of retirement. The principle is that residents who have planned their retirement on the basis of the architecture in place at the time they made those plans are entitled to rely on it.

## **Article 60 – Stress Testing**

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The Pool and both Reserves are subject to annual stress testing by the Bank of the NBI under scenarios specified by the CAB. The stress test suite must include, as a minimum: a 2008-equivalent global credit crisis; a 1970s-equivalent sustained stagflation episode; a 1930s-equivalent prolonged deflationary depression; and a scenario specific to the NBI economic environment calibrated on the worst decade in UK economic history. The stress test results are published alongside the Annual Actuarial Review Report.

Where any stress test scenario results in Pool insolvency within 20 years without corrective action, the CAB treats this as a Structural Risk Warning and publishes a Risk Mitigation Plan within 90 days. The Plan does not constitute a declaration of Structural Crisis; it is a precautionary architecture review.

## PART XVI

# Governance and Oversight

## Article 61 — The Civic Pension Authority

The Civic Pension Authority is an independent constitutional body established by this Framework and governed by its own Founding Civic Instrument. It is the primary regulatory and administrative body for the Civic Pension Architecture. Its membership is determined through open sortition from a pool of residents who hold, or have recently held, qualified professional roles in at least one of: pension administration, actuarial science, financial regulation, law, or public finance management. No member of any Executive Assembly may serve on the CPA simultaneously.

The CPA's constitutional mandate is:

- Administration of the Civic Pension Register and all individual Civic Pension Accounts.
- Oversight of the Bank of the NBI's Pool management, including investment mandate compliance, rebalancing decisions, and Smoothing Reserve management.
- Administration of the Civic Pension Commons Reserve.
- Collection and enforcement of the Civic Payroll Levy.
- Publication of Annual Civic Pension Statements to all members.
- Administration of the between-employment continuity guarantee.
- Administration of caring credits and incapacity credits.
- Maintenance of the Civic Beneficiary register.
- Administration of drawdown commencement and ongoing payment.
- Adjudication of resident disputes at first instance.
- Publication of the Annual Report of the Civic Pension Authority.

The CPA is funded by a fixed operating levy on the Pool, set by the CAB, capped at 0.05% of Pool net asset value per annum. The CPA cannot increase its own funding without CAB approval and public consultation.

## Article 62 — The Civic Actuarial Board

The Civic Actuarial Board is a standing expert body of qualified actuaries, appointed by open competition administered by the CPA, serving fixed seven-year terms on a staggered basis so that no more than two members are replaced in any single year. The CAB has constitutional independence from the CPA, the Bank of the NBI, and all Civic Assemblies.

The CAB's constitutional mandate is:

- Publication and review of life expectancy tables every five years.
- Calculation of individual drawdown figures at retirement commencement.
- Annual actuarial review of the full Architecture.
- 50-Year Long-Range Fiscal Projections every five years.

- Annual stress testing certification.
- Declaration of Structural Crisis conditions and certification of Structural Crisis resolution.
- Review of the Payroll Levy rate every five years.
- Fiscal Stabilisation Recommendations where required.
- Risk Mitigation Plans on Structural Risk Warnings.

CAB members may be removed only by the Civic Constitutional Court on grounds of demonstrated incapacity, persistent failure to perform their duties, or a material conflict of interest that the member has failed to disclose and recuse themselves from. They may not be removed for the content of their professional actuarial judgments.

## Article 63 – The Bank of the NBI as Pool Manager

The Bank of the NBI performs the Pool management function under the Pool Management Agreement. As Pool Manager, the Bank operates under a delegation of authority from the CPA and is bound by the investment mandate in Part IV. The Bank's Pool management operation is structurally separate from its monetary policy, reserve management, and commercial banking functions. It is subject to independent audit and the CPA's quarterly performance review.

The Bank of the NBI is constitutionally required to prioritise the interests of Civic Pension Fund members above all other considerations in its Pool management role. It may not use Pool assets to facilitate monetary policy operations, manage NBI government debt, or pursue any objective beyond the investment mandate.

The Pool Manager must be formally reviewed if:

5-year rolling returns fall below CPI + 0.25%

Smoothing Reserve repeatedly depleted (>3 events in 10 years)

CPA must:

Publish findings

Either retain with justification or initiate replacement

## Article 64 – Independent Audit

The Civic Pension Architecture is subject to three independent audits annually:

1. **Financial Audit:** conducted by the Civic Audit Office on the CPA's financial accounts, the Commons Reserve accounts, and the Pool's financial statements. Published within four months of the year end.
2. **Investment Audit:** conducted by an independent investment auditor appointed by the CPA through open tender, assessing Pool Manager compliance with the investment mandate, rebalancing decisions, and Smoothing Reserve management. Published within six months of the year end.
3. **Actuarial Audit:** conducted by an independent actuary appointed by the Civic Constitutional Assembly, reviewing the CAB's methodologies, assumptions, and calculations. Published every three years.

All audit reports are public documents. The CPA publishes a response to each audit within 60 days of publication, addressing any findings and setting out corrective actions with timelines. The CPA's response is equally public.

## Article 65 – Resident Appeal and Dispute Resolution

A resident who disputes any determination, calculation, credit, classification, or payment made under this Framework has the right of appeal on the following terms:

1. First-instance appeal to the Civic Pension Authority, which must provide a written determination within 30 days. The CPA determination must include the reasoning, the evidence considered, and the resident's further appeal rights.
2. Second-instance appeal to the Civic Pension Appeals Panel, an independent panel operating within the Civic Justice Architecture and constituted by sortition from the same qualified pool as the CPA. The Panel must provide its determination within 60 days.
3. Final appeal to the Civic Constitutional Court on points of constitutional law only. The Court may direct the CPA to recalculate, reinstate, or pay any amount it finds to be constitutionally guaranteed.

Payments are not withheld during any appeal period. Where an appeal results in an upward adjustment to a resident's entitlement, backdated payments are made in full within 28 days of the final determination, with interest at the Bank of the NBI base rate.

## PART XVII

# Constitutional Entrenchment

## Article 66 — Provisions Requiring Civic Referendum

The following provisions of this Framework may be altered only by Civic Referendum, requiring a minimum turnout of 50% of the eligible electorate and a supermajority of 60% of valid votes cast. No Assembly vote, Emergency Override, or Executive determination may alter these provisions:

- The standard retirement age of 65 (Article 40).
- The constitutional non-taxable status of Civic Pension income (Article 49).
- The constitutional obligation of the Minimum Payout Guarantee (Article 28).
- The constitutional obligation of the Civic Pension Floor Guarantee and Longevity Supplement (Articles 24 and 43).
- The pre-tax treatment of pension contributions (Article 12).
- The prohibition on using Pool assets as sovereign collateral or in monetary policy operations (Article 15).
- The prohibition on early retirement before age 65 (Article 40).
- The Payroll Levy rate, if a change of more than 0.15 percentage points is proposed (Article 27).

A Civic Referendum on any pension provision must be preceded by publication of the CAB's independent actuarial assessment of the proposed change, including 30-year cost projections, at least 90 days before the referendum date.

## Article 67 — Provisions Amendable by Constitutional Assembly

All other provisions of this Framework may be amended by a two-thirds supermajority vote of the Civic Constitutional Assembly, subject to:

- (a) A minimum 12-month public consultation period.
- (b) A CAB actuarial assessment of the proposed amendment published at least six months before the vote.
- (c) A CPA implementation review published at least three months before the vote.
- (d) A transition period of not less than three years between amendment passage and implementation, except for minor administrative amendments.

No amendment may reduce a pension already in payment, reduce the Floor Guarantee for residents within five years of retirement, or remove the constitutional independence of the CPA or CAB.

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## Article 68 — Prohibition on Political Interference

No elected or sortition-appointed member of any Civic Assembly, no member of any Civic Executive, and no holder of any public office of the Commonwealth may direct, instruct, suggest, or otherwise attempt to influence the investment decisions of the Pool Manager, the actuarial determinations of the CAB, the administrative decisions of the CPA, or the audit findings of the Civic Audit Office in relation to the Civic Pension Architecture.

Any attempt to exert such influence, whether direct or indirect, constitutes a Civic Constitutional Offence triable before the Civic Constitutional Court. The penalty on conviction is permanent disqualification from all public office within the Commonwealth.

The pension of a resident is their deferred wages, held on trust. The Commonwealth is the trustee, not the owner. The Framework is the trust deed. Political interference in pension administration is a betrayal of that trust, and this Framework treats it accordingly.

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## Article 69 — Intergenerational Balance Rule

The CAB must certify every 5 years that:

Expected lifetime contributions  $\approx$  expected lifetime benefits (within tolerance band)

If breached:

Mandatory Fiscal Stabilisation Recommendation triggered.

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## Article 70 – Dual Documentation Requirement

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The Architecture must exist in two forms:

Constitutional Instrument (this document)

Resident Version (mandatory):

- Plain language
- Worked examples
- Tier comparisons
- Real-life scenarios

Failure to maintain the resident version constitutes a breach of CPA duty.

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*“We do not turn time back; we move forward with the wisdom its patterns reveal.”*

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Reference: DDSA-FIN-PEN-002 | Edition: Second | Status: Foundational Architecture