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STATUTORY INSTRUMENTS

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**2010 No. 832**

**The Armed Forces (Redundancy, Resettlement and  
Gratuity Earnings Schemes) (No. 2) Order 2010**

**PART 4**

**THE ARMED FORCES RESETTLEMENT COMMUTATION SCHEME 2010**

**Factors affecting the amount of commutable pension**

**30.**—(1) Subject to article 32, the maximum lump sum which can be commuted by a person shall be the difference between the lump sum awarded on leaving service and—

- (a) in the case of officers, the 34 year rate, and
- (b) in the case of someone who is not an officer, the 37 year rate,

set out in the pension codes at the date service ends.

(2) Any supplements paid to a person shall be included when calculating resettlement commutation and pension.

(3) Commutation under the AFRCS 2010 shall not be permitted to reduce the basic rate of pension by more than half for any person.

(4) Subject to paragraph (3), where a person who is not an officer can raise less than £1000 under the AFRCS 2010, they may commute concurrently under the life commutation scheme to provide a combined sum of up to £1000 provided that the sum taken under the AFRCS 2010 is the maximum available.

(5) The following awards are not commutable—

- (a) ill-health pension;
- (b) any proportion of pension based on purchased added years or additional voluntary contributions of any kind; and
- (c) preserved awards.

(6) The amount of pension to be temporarily waived to secure a capital sum will be determined by the Scheme actuary.

(7) In paragraph (5)(c), “preserved awards” refers to the preserved pension of a person who leaves service without being immediately entitled to a pension.