
STATUTORY INSTRUMENTS

2014 No. 2336

The Armed Forces Pension Regulations 2014

PART 7

Contributions to purchase added pension

CHAPTER 1

Contributions

Member's option to make periodical contributions to purchase added pension

91.—(1) An active member may opt to make periodical contributions during the contribution option period to increase—

- (a) the benefits payable to the member under Part 5 (retirement benefits); or
- (b) the benefits payable under Part 5 and Part 6 (death benefits).

(2) The option must be exercised by notice in writing to the scheme administrator in such form and subject to such conditions as the scheme manager requires.

(3) A member may exercise the option more than once but the option may only be exercised once in any scheme year. This is subject to paragraph (9) and regulation 94 (periodical contributions: special cases).

(4) If a member exercises an option under paragraph (1), the contributions are payable by deduction from the member's earnings for the first pay period of the scheme year beginning when the scheme administrator considers appropriate on or after the date on which the scheme administrator receives the member's application to exercise the option and for all subsequent pay periods beginning during the contribution option period. This is subject to regulation 93 (cancellation of options to make periodical payments) and regulation 94 (periodical contributions: special cases).

(5) If a member exercises an option under paragraph (1)—

- (a) the contributions payable are to be fixed sums;
- (b) in the case of an option under paragraph (1)(a), the amount that the member is entitled to count as added pension (member) for a scheme year in which those contributions are paid is such amount as is indicated as appropriate for the amount of those contributions in tables issued by the scheme manager after consultation with the scheme actuary; and
- (c) in the case of an option under paragraph (1)(b), the amount that the member is entitled to count as added pension (member and dependants) for the scheme year in which those contributions are paid is such amount as is indicated as appropriate for the amount of those contributions in tables issued by the scheme manager, after consultation with the scheme actuary.

This is subject to paragraph (6).

(6) The total pension amounts included in the member's pension account regulation 29 (establishment of active member's account) as a result of contributions made under this regulation, taken together with—

- (a) any pension amounts so included as a result of contributions made under regulation 91 (member's option to pay lump sum contributions to purchase pension); and
- (b) any pension amounts included in any other pension account established at any time under regulation 29 (establishment of active member's account) in respect of the member as a result of—
 - (i) contributions made under this regulation; or
 - (ii) contributions made under regulation 91 (member's option to pay lump sum contributions to purchase pension),

may not exceed such amount as the scheme manager, after the consent of the Treasury has been obtained, may for the time being determine.

(7) A member may not make contributions under this regulation of less than such amount as the scheme manager may for the time being determine.

(8) In these Regulations "the contribution option period", in relation to an option under this regulation, means—

- (a) a scheme year; or
- (b) such shorter period as may be specified in the notice relating to the option.

(9) A member may not exercise the option under paragraph (1) and the option under regulation 92(1) (member's option to pay lump sum contributions to purchase pension) in the same scheme year.

Member's option to pay lump sum contributions to purchase pension

92.—(1) An active member may opt to make a single lump sum contribution to increase—

- (a) the benefits payable to the member under Part 5 (retirement benefits); or
- (b) the benefits payable under Part 5 and Part 6 (death benefits).

(2) A member may not make a contribution under this regulation of less than such amount as the scheme manager may for the time being determine.

(3) The option must be exercised by notice in writing to the scheme administrator in such form and subject to such conditions as the scheme manager requires.

(4) A member may exercise the option under paragraph (1) more than once, but it may only be exercised once in any scheme year. This is subject to regulation 91(9).

(5) If a member exercises an option under paragraph (1), the contribution is payable immediately by the member to the scheme administrator by deduction from the member's earnings or otherwise.

(6) If a member exercises an option under paragraph (1)(a), the amount that the member is entitled to count as member's added pension for the relevant scheme year is such amount as is indicated as appropriate for the amount of the contribution in tables issued by the scheme manager, after consultation with the scheme actuary.

(7) If a member exercises an option under paragraph (1)(b) or to pay a lump sum under regulation 94(c) (periodical contributions: special cases), the amount that the member is entitled to count as added pension (member and dependants) for the relevant scheme year is such amount as is indicated as appropriate for the amount of the contribution in tables issued by the scheme manager, after consultation with the scheme actuary. This is subject to paragraph (8).

(8) The total pension amounts included in the member’s pension account under regulation 29 (establishment of an active member’s account) as a result of contributions made under this regulation taken together with—

- (a) any pension amounts so included as a result of contributions made under regulation 91 (member’s option to pay periodical contributions to purchase pension); and
- (b) any pension amounts included in any other pension account established at any time under regulation 29 in respect of the member as a result of—
 - (i) contributions made under this regulation; and
 - (ii) contributions made under regulation 91,

may not exceed such amount as the scheme manager, having obtained the consent of the Treasury, may for the time being determine.

(9) In this regulation—

“the relevant day” means the day on which the payment is received by the scheme administrator; and

“the relevant scheme year” means the scheme year in which the relevant day falls.

Cancellation of options to made periodical contributions

93.—(1) A member may cancel an option under regulation 91 (member’s option to make periodical contributions to purchase added pension) by giving the scheme administrator notice in writing in such form as the scheme manager requires.

(2) If a member cancels such an option, the periodical contributions cease to be payable in respect of the member’s pensionable earnings for all pay periods falling in the current scheme year after the pay period in which the scheme administrator receives the notice.

(3) If it appears to the scheme administrator that the requirement in regulation 91(6) will not be met if the member continues to make periodical contributions under regulation 91, the scheme administrator may cancel the option under regulation 91(1) by giving the member notice in writing.

(4) If the scheme administrator cancels such an option, the periodical contributions cease to be payable in respect of the member’s pensionable earnings for all pay periods falling after the date specified in the notice.

Periodical contributions: special cases

94. If a member who has exercised an option under regulation 91(1) (member’s option to make periodical contributions to purchase added pension) has a period of absence from work or the member’s pay for any pay period is insufficient to meet the periodical contributions for a contribution option period, the member may—

- (a) cease to pay the periodical contributions payable under the option; or
- (b) pay the same amounts of contributions as would be payable if the member were receiving pensionable earnings at the full rate; or
- (c) opt by giving the scheme administrator notice in writing in such form as the scheme manager may require, to pay the contributions for the contribution option period within the scheme year after the absence has ended or when the member’s pay has again become sufficient, by such instalments as the member may agree with the scheme manager or by lump sum.

Crediting of added pension: death in service or medical discharge

95. Where a member who is making periodical contributions in respect of added pension (member and dependants) dies in service or is discharged with an ill health award there may be credited to the relevant account of the member by the Secretary of State such amounts as would have been credited by the member for that scheme year but only for the death or discharge.

Repayment of contributions

96.—(1) The contributions made by a member under this Part are not repayable in any circumstances except if—

- (a) paragraph (2) applies, or
- (b) Chapter 5 of Part 4 of the PSA 1993 (early leavers: cash transfer sums and contribution refunds) applies, the member has elected under that part for a contribution refund and the payment is made in accordance with that Chapter.

(2) This paragraph applies if —

- (a) a person who is not a pensioner member ceases to be in pensionable service; and
- (b) the person is not entitled to a pension under regulation 43 or 44 because of the provisions of regulations 43(2) or 44(2).

(3) If paragraph (1)(b) applies, the person is entitled to be paid the amount to which the person is entitled under Chapter 5 of Part 4 of the PSA 1993, less an amount equal to the income tax payable under section 205 of the FA 2004 (short service refund lump sum charge) as a result of the repayment.

(4) If paragraph (2) applies, the person is entitled to be paid an amount equal to the sum of the contributions made by the person under this Part, less the sum of the amounts mentioned in paragraph (3).

(5) If a repayment is made under this regulation, the member's rights under this Part are extinguished.