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STATUTORY INSTRUMENTS

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**2015 No. 390**

**The Armed Forces Pension (Consequential Provisions) Regulations 2015**

**PART 4**

**Modification of tax regime**

**Annual allowance charge**

**15.**—(1) This regulation applies to a person (P) who—

- (a) is a member of an old scheme whether by virtue of pensionable service for that scheme or deemed transfer scheme service under paragraph 2 of Schedule 7 to the 2013 Act;
- (b) is a member of the new scheme by virtue of pensionable service for the new scheme; and
- (c) becomes entitled to payment of an ill-health pension under regulation 51, 52 or 56 of the Armed Forces Pension Regulations 2014.

(2) Section 234 of the Finance Act 2004<sup>(1)</sup> (defined benefits arrangements) is modified in its application to P as specified in paragraph (3).

(3) When calculating the closing value of P's rights under the new scheme for the pension input period during which P becomes entitled to payment of an ill-health pension under regulation 51, 52 or 56 of the Armed Forces Pension Regulations 2014, payment of scheme pension that represents pensionable service for the old scheme is not to be counted as part of the closing value.

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<sup>(1)</sup> Section 234 was amended by section 66 of, and paragraphs 1, 10 and 27 of Schedule 17 to, the Finance Act 2011 (c.11).