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STATUTORY INSTRUMENTS

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**2018 No. 1111**

**The Armed Forces Pension Schemes and Early Departure Payments Schemes (Amendments Relating to Flexible Working and Miscellaneous Amendments) Regulations 2018**

**PART 3**

**Amendment of the Armed Forces Early Departure Payments Scheme Order 2005**

**Amendment of the Armed Forces Early Departure Payments Scheme Order 2005**

**4.—(1)** The Armed Forces Early Departure Payments Scheme Order 2005(1) is amended as follows.

(2) In article 3 (general interpretation), insert in the appropriate places in the alphabetical order the following definitions—

““flexible service” means one or both of the following types of service—

- (a) part-time service,
- (b) restricted separation service,

and references to a person serving on flexible terms must be construed accordingly;

“part-time service” means—

- (a) for enlisted persons, a period of service where the member is serving in accordance with an arrangement provided for in regulations made under section 329(2)(ha) of the Armed Forces Act 2006;
- (b) for persons who are officers, a period of service on equivalent terms of service;

“restricted separation service” means—

- (a) for enlisted persons, a period of service where the member is serving in accordance with an arrangement which does not restrict the member’s service in a particular area but does make it subject to other geographic restrictions provided for in regulations made under section 329(2)(i) of the Armed Forces Act 2006;
- (b) for persons who are officers, a period of service on equivalent terms of service;

“service reduction percentage” has the meaning given in article 3B;”.

(3) After article 3A (meaning of “a person with dual entitlement”), insert—

**““Meaning of “service reduction percentage”**

**3B.—(1)** In this Scheme, the “service reduction percentage” in respect of a period of flexible service is given by the formula, expressed as a percentage—

$$\frac{(A - B)}{A}$$

Where—

*A* is the basic pay which the person would have received in respect of that period of flexible service had the person not been serving on flexible terms;

*B* is the basic pay received by the person in respect of that period of flexible service.

(2) For the purposes of the Scheme, a period of flexible service ends and another begins when any change in the service reduction percentage occurs.”.

(4) In article 5 (meaning of “calculation service”)—

(a) the existing article is re-numbered as paragraph (1);

(b) after paragraph (1) as so re-numbered, insert—

“(2) Where a person has served on flexible terms, the person’s relevant service for each period of such service, calculated for the purposes of determining the person’s calculation service under paragraph (1)(a), is reduced by the service reduction percentage applicable to that period of flexible service.”.

(5) In article 6 (meaning of “final relevant earnings”), after paragraph (7), insert—

“(8) Where a person served on flexible terms during any part of the period of three years mentioned in paragraph (1), the person’s final relevant earnings are calculated as though the person had not served on flexible terms for that period.”.

(6) In article 10 (amount of payments under article 9), after paragraph (7), insert—

“(7A) Where a person has served on flexible terms, for the purposes of determining T under paragraph (4)(zb)(i), the person’s relevant service for each period of flexible service is reduced by the service reduction percentage applicable to that period of flexible service.”.