
STATUTORY INSTRUMENTS

2005 No. 438

PENSIONS

The Armed Forces Pension Scheme Order 2005

Made - - - - *8th March 2005*
Laid before Parliament *14th March 2005*
Coming into force *6th April 2005*

THE ARMED FORCES PENSION SCHEME ORDER 2005

Preliminary

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 2. Establishment of the Armed Forces Pension Scheme 2005
 3. Amendments of the Armed Forces Pension Scheme 2005
 4. Amendments of other regulations
 5. Closure of Scheme and transitional provision
 6. Schedule 3: Remediable Service
- Signature

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- A.3 Meaning of “assumed pay”
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Changes to legislation: There are currently no known outstanding effects for the
The Armed Forces Pension Scheme Order 2005. (See end of Document for details)

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- D.16 Effect of allocation

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Changes to legislation: There are currently no known outstanding effects for the
The Armed Forces Pension Scheme Order 2005. (See end of Document for details)

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- G.3 Option to aggregate earlier membership: previous members of the Scheme
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- H.2 Abatement of pensions on re-employment: general rules
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- J.1 Claims for and payment of benefits
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Pension Credit Members with two or more Pension Credits

- J.4 Pension credit members with two or more entitlements

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- J.5 Forfeiture of benefits
- J.6 Events enabling forfeiture
- J.7 Procedure, references etc

Commutation of Small Pensions

- J.8 Commutation of small pensions

Determination of Questions

- J.9 Determination of questions

Information, Evidence, Suspension etc.

J.10 Information and evidence

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- J.11 Payment on behalf of members of lifetime allowance charge
- J.12 Reduction of benefits and transfer values where lifetime allowance charge payable
- J.13 Deduction of special lump sum death benefits charge
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- K.1 Application of Part K: meaning of “AFPS 1975 transferee”
- K.2 Options for AFPS 1975 members to join the Scheme under Part K

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- K.3 Service credited from the AFPS 1975
- K.4 Treatment of added years: contributions paid before 6th April 2006
- K.5 Treatment of preserved awards
- K.6 Transfers in: transitional provision
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- K.8 Disapplication of rule E.6
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- L.1 Application of Part L: meaning of “Gurkha Pension Scheme transferee”
- L.2 Option for active members of Gurkha Pension Scheme to join the Scheme
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- L.4 Effect of exercising option under rule L.2 (Gurkha active transferees)
- L.5 Effect of exercising option under rule L.3 (former active Gurkhas)
- L.6 Pension debit members
- L.7 Modifications of Scheme rules in case of Gurkha Pension Scheme transferees

SCHEDULE 2 — TEMPORARY MODIFICATIONS OF THE ARMED FORCES
PENSION SCHEME 2005

- 1. At the end of rule A.4 insert—
- 2. At the end of rule A.5 insert—
- 3. After rule A.5 insert— Inland Revenue restrictions on final pensionable...
- 4. For rule B.2 substitute— Persons with other pension arrangements (1) A person is not eligible to be an active...
- 5. In rule C.1 after paragraph (7) insert—
- 6. In rule C.3(2)(b) after “C.1(6)” insert “or C.8”.
- 7. At the end of rule C.4(3) insert— This is subject...
- 8. For rule C.7 substitute— Repayment of contributions (1) The contributions made by a member under this Part...
- 9. After rule C.7 insert— Inland Revenue limits on contributions The contributions made under this Part in any tax year...
- 10. In rule D.11 after paragraph (5) insert—
- 11. After rule D.17 insert— Inland Revenue limits on lump sums...
- 12. (1) Rule E.16 is amended as follows—
- 13. In rule E.22 after paragraph (6) insert—

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14. After rule E.28 insert— Inland Revenue limits: pensions (1) No annual pension payable under this Part may exceed...
15. (1) Rule J.8 is amended as follows—

SCHEDULE 2 — Transitional Provision

PART 1 — Interpretation

1. Interpretation
2. Meaning of “continuity of service”
3. Commencement of active membership of the AFPS 2015 for a transition member

PART 2 — Exception to section 18(1) of the 2013 Act: full protection members of the AFPS 2005

4. Meaning of “conditional full protection member of the AFPS 2005”
5. Meaning of “conditional full protection member of an existing scheme”
6. Meaning of “conditional full protection member of a public body pension scheme”
7. Full protection members of the AFPS 2005
8. Members of the AFPS 2005 on 31st March 2015
9. Members of an existing scheme or a public body pension scheme
10. Exception for full protection member during protection period
11. Full protection member not eligible to join the AFPS 2015

PART 3 — Payment of ill-health benefits to transition members with continuity of service

12. This Part not to apply to previous periods of service
13. Transition members not to receive early ill-health benefits except in accordance with this Part
14. Active transition member with permanent serious ill-health who leaves service before reaching age 55
15. Transition member with permanent serious ill-health who reaches age 55
16. Active transition member who leaves service with permanent serious ill-health on or after reaching age 55 but before age 60
17. Active transition member with significant impairment of capacity for gainful employment who leaves service before reaching age 55
18. Transition member with significant impairment of capacity for gainful employment who reaches age 55
19. Active transition member who leaves service with significant incapacity for gainful employment on or after reaching age 55 but before reaching age 60
20. Deferred transition member with permanent serious ill-health who leaves service before reaching age 55
21. Deferred transition member with permanent serious ill-health who reaches age 55
22. Deferred transition member who meets criteria for permanent serious ill-health on or after reaching age 55
23. Review of ill-health awards at request of member or Secretary of State

PART 4 — Payment of death benefits in respect of transition members with continuity of service

24. This Part not to apply to previous periods of service
25. Death benefits not to be paid in respect of transition members except in accordance with this Part
26. Surviving adult’s pension when transition member dies in service before reaching age 55
27. Surviving adult dependant’s pension when a transition member dies in service on or after reaching age 55

28. Surviving adult dependant's pension when a transition member dies as a deferred or pensioner member before reaching age 55
29. Surviving adult dependant's pension when a transition member dies as a deferred member or a pensioner member on or after reaching age 55
30. Eligible child's pension when a transition member dies in service before reaching age 55
31. Eligible child's pension when a transition member dies in service on or after reaching age 55
32. Eligible child's pension when a transition member dies as a deferred or pensioner member before reaching age 55
33. Eligible child's pension when a transition member dies as a deferred or pensioner member on or after reaching age 55
34. Death of a transition member whilst in service: lump sum benefit
35. Death of a deferred transition member: lump sum benefit
36. Death of a pensioner transition member before reaching age 55: lump sum benefit
37. Death of a pensioner transition member on or after reaching age 55: lump sum benefit
- PART 5 — Transitional provisions relating to the AFPS 2005
38. No benefits for service on or after member's transition date
39. Pensionable service under the AFPS 2005 for a transition member with continuity of service
40. Final salary link for a transition member with continuity of service
41. Secretary of State does not consider that the member has suffered a permanent breakdown of health involving incapacity for any full-time employment
42. Deferred membership of the AFPS 2005
43. Qualifying for retirement benefits under the AFPS 2005
44. Final salary link not to apply again to a pension in payment
- PART 6 — Miscellaneous transitional provisions
45. Nomination under the AFPS 2005 continues to have effect
46. Option to buy added years under the AFPS 2005 continues to have effect
47. Opting out of AFPS 2015 - contributions under the AFPS 2005 cease to be payable
- 47A. Purchase of added years for members seconded to NATO or the UN etc
- PART 7 — Transfer of final salary benefits
48. Acceptance of club transfer value payments and club transfers
49. Member of the AFPS 2015 or the AFPS 2005
- Schedule 3 — Remediable Service
- Part 1 — Introductory Provisions
1. Interpretation
2. (1) For the purposes of this Schedule, a reference in...
3. (1) For the purposes of sections 9(1)(b) and 13(1)(b) of...
4. For the purposes of this Scheme, section 14 of PSPJOA...
- Part 2 — Remediable Service Statements
5. Requirements relating to remediable service statements
- Part 3 — Decisions about the treatment of remediable service

Changes to legislation: There are currently no known outstanding effects for the
The Armed Forces Pension Scheme Order 2005. (See end of Document for details)

Chapter 1

Opted-out Service

6. Application and interpretation of Chapter 1
7. Election in relation to relevant opted-out service

Chapter 2

Immediate choice decision for reformed scheme or legacy scheme benefits

8. Application of Chapter 2
9. Immediate choice decision for reformed scheme or legacy scheme benefits:
general
10. Immediate choice decision: additional requirements
11. Immediate choice decision: deemed election

Chapter 3

Deferred choice decision for reformed scheme or legacy scheme benefits

12. Application of Chapter 3
13. Deferred choice decision for reformed scheme or legacy scheme benefits:
general
14. Deferred choice decision to be made by M
15. Deferred choice decision to be made by a person other than M
16. Deferred choice election: deemed section 10 election
17. Deferred choice decision: additional requirements
Part 4 — Provision about AFPS 1975 Re-joiners
18. Application and Interpretation of this Part
19. Effect of a section 6 election
Part 5 — Provision about divorce and dissolution arrangements

Chapter 1

Pension Credit and Debit Members

Section 1

Application and Interpretation of Chapter 1

20. Application and interpretation of Chapter 1

Section 2

Pension sharing orders: information provided before 1st October 2023

21. Application and interpretation of Section 2
22. Information before 1st October 2023: unprotected member, AFPS 2005
only
23. Information and transfer day before 1st October 2023: protected members
24. Information and transfer day before 1st October 2023: unprotected
members
25. Information before 1st October 2023: transfer day after 1st October

26. Information provided before 1st October 2023: applying a remediable credit adjustment
27. Information provided before 1st October 2023: immediate choice – pension debit information
28. Information provided before 1st October 2023: immediate choice – pension debit adjustment
29. Information provided before 1st October 2023: deferred choice – pension debit
30. Information provided before 1st October 2023: deferred choice member – pension debit adjustment

Section 3

Information provided on or after 1st October 2023

31. Application and interpretation of Section 3
32. Information provided on or after 1st October 2023: pension information
33. Information provided on or after 1st October 2023: calculation of pension credits
34. Information provided on or after 1st October 2023: pension debit
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Arrangements on divorce, annulment or dissolution other than a pension sharing order

36. Arrangements other than a pension sharing order: calculating the value of pension benefits
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Chapter 2

Remedial arrangements to pay voluntary contributions to the legacy scheme

38. Remedial arrangements: additional reckonable service
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40. Purchase of additional reckonable service in respect of period on loan
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Changes to legislation: There are currently no known outstanding effects for the
The Armed Forces Pension Scheme Order 2005. (See end of Document for details)

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Transfers on a cash equivalent basis

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Transfers before 1st October 2023

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44. Transfers in before 1st April 2022

Section 5

Transfers on or after 1st October 2023

45. Application of Section 5
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Transfers on a club basis

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Club transfers before 1st October 2023

47. Club transfers out before 1st October 2023
48. Club transfers in before 1st October 2023

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Club transfers on or after 1st October 2023

49. Application of Section 7
50. Club transfers out on or after 1st October 2023
51. Club transfers in on or after 1st October 2023

Chapter 4

Transfers to and from the AFPS 2015

52. Transfers out before 1st October 2023: AFPS 2015
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54. Club Transfers in before 1st October 2023: AFPS 2015

Chapter 5

Treatment of transferred in remediable rights

- 55. Treatment of rights secured by virtue of transferred in remediable rights
- 56. Benefits already paid in relation to transferred in remediable rights
- 57. Pension benefits and lump sum benefits in relation to a remediable value
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- 58. Protection of the amount of pension payable to an eligible child

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- 59. Calculation of Benefits for remediable service: election for new Scheme benefits

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Abatement

- 60. Abatement

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Death Benefits Nomination

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Medical and Dental Officers: AFPS 2005 Bonus Scheme

- 62. MODO Bonus Scheme: effect of election for new Scheme benefits

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Part 9 — Liabilities and payment

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Application of Part 9

- 64. Application of Chapters 1, 2 and 3

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The Armed Forces Pension Scheme Order 2005. (See end of Document for details)

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Interest, compensation and netting off

- 65. Interest
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Payment of net liabilities

- 70. Application of Chapter 4
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- 76. Sole beneficiary: M's estate
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- 78. Multiple beneficiaries: including a surviving adult
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Explanatory Note

Changes to legislation:

There are currently no known outstanding effects for the The Armed Forces Pension Scheme Order 2005.