
STATUTORY INSTRUMENTS

2006 No. 717

**The Armed Forces Pension Scheme
etc. (Amendment) Order 2006**

Allocation

8.—(1) In rule D.14 of the Scheme (election to allocate pension) in paragraph (4) (limit on allocation to one-half of the member's annual pension before any exercise of the option to exchange lump sum for pension) for "one-half" substitute "the permitted percentage".

(2) After that paragraph insert—

"(4A) In paragraph (4) "the permitted percentage" means 37.5% or such lower percentage as appears to the Scheme administrator to be capable of being allocated under this rule without risking that a part of the pension to which any person becomes entitled on the death of the member after 75 does not qualify as a dependants' scheme pension for the purposes of section 167 of the Finance Act 2004 (the pension death benefit rules) (see paragraphs 16 to 16B of Schedule 28 to that Act)."

(3) In rule E.12(4) of the Scheme (amount of children's pensions where a pensioner member leaves a surviving adult dependant and two or more children) for "(disregarding rules D.10, E.6 and E.7)" substitute "(disregarding any increase or reduction made by virtue of rule D.10, D.16, E.6 or E.7)".