
STATUTORY INSTRUMENTS

2009 No. 544

**The Armed Forces Pension Scheme
etc. (Amendment) Order 2009**

Inflation adjustments in determining final pensionable earnings for the AFPS 2005

7. For rule A.5 substitute—

“A.5 Inflation adjustments in determining final pensionable earnings

(1) For the purpose of determining which is the greatest amount mentioned in rule A.4(1), the amount of pensionable earnings, as determined in accordance with rule A.4, for that part of the period of 365 days that falls 365 days or more before the last day of service is adjusted for inflation.

(2) Any adjustment made for the purpose of determining final pensionable earnings shall be disregarded for all other purposes of the Scheme.

(3) The reference in paragraph (1) to adjusting for inflation the amount of pensionable earnings for part of a period is a reference to increasing it by the same amount as that by which an annual pension of an amount equal to those earnings would have been increased under the Pensions (Increase) Act 1971 on the day following the last day of reckonable service if the pension—

- (a) were eligible to be so increased, and
- (b) had come into payment on the day following the last day of that period.”.