
STATUTORY INSTRUMENTS

2009 No. 544

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

Gratuity-earning service

8.—(1) In rule A.7 (qualifying service) in paragraph (1)—

- (a) omit “and” at the end of sub-paragraph (d);
- (b) at the end of sub-paragraph (e) substitute “,” for “.”; and
- (c) after sub-paragraph (e) insert—

“(f) in the case of a person whose service was gratuity-earning service before its terms were changed and who meets the condition in paragraph (1A), that period of gratuity-earning service, and

(g) in the case of a person who was paid a gratuity on the satisfactory completion of gratuity-earning service and has repaid that gratuity together with interest at the Bank of England base rate, calculated on a monthly basis, from the day after the last day of service in respect of which the gratuity was awarded to the day before the date of re-entry within the period of one year of becoming an active member of this Scheme, that completed service.

(1A) The condition referred to in paragraph (1)(f) and rule A.8(1)(h) is that the person has surrendered all rights to a gratuity in respect of the gratuity-earning service in consideration for which the person becomes eligible for membership of this Scheme.”

(2) In rule A.8 (reckonable service) in paragraph (1)—

- (a) omit “and” at the end of sub-paragraph (f);
- (b) at the end of sub-paragraph (g) substitute “,” for “.”; and
- (c) after sub-paragraph (g) insert—

“(h) in the case of a person whose service was gratuity-earning service before its terms were changed and the person meets the condition in rule A.7(1A), that period of gratuity-earning service, and

(i) in the case of a person who was paid a gratuity on the satisfactory completion of gratuity-earning service (as so defined) and has repaid that gratuity together with interest at the Bank of England base rate, calculated on a monthly basis, from the day after the last day of service in respect of which the gratuity was awarded to the day before the date of re-entry within the period of one year of becoming an active member of this Scheme, that completed service.”

(3) In rule A.1 (interpretation: general) after the definition of “final pensionable earnings” insert—

““gratuity-earning service” means service on a short service commission on terms providing that the person serving is not eligible to be a member of this Scheme or the AFPS 1975, but will be eligible for the payment of a gratuity on leaving service, subject to the satisfactory completion of that person’s service;”