
STATUTORY INSTRUMENTS

2014 No. 2336

The Armed Forces Pension Regulations 2014

PART 1

Preliminary

Citation and commencement

- 1.—(1) These Regulations may be cited as the Armed Forces Pension Regulations 2014.
- (2) They come into force on 1st April 2015.

Establishment of scheme

2. These Regulations establish a scheme for the payment of pensions and other benefits in respect of a person's service in the armed forces.

Interpretation

- 3.—(1) In these Regulations, unless the context otherwise requires,—
 - “the Act” means the Public Service Pensions Act 2013;
 - “EDP 2014” means the Armed Forces Early Departure Payment Scheme Regulations 2014⁽¹⁾;
 - “FA 2004” means the Finance Act 2004⁽²⁾;
 - “PIA 1971” means the Pensions (Increase) Act 1971⁽³⁾;
 - “PSA 1993” means the Pension Schemes Act 1993⁽⁴⁾;
 - “WRPA 1999” means the Welfare Reform and Pension Act 1999⁽⁵⁾;
 - “accrual rate”, in relation to a member's pensionable earnings, means 1/47th;
 - “accrued added pension” means—
 - (a) accrued added pension (member), or
 - (b) accrued added pension (member and dependants);
 - “accrued added pension (member)” has the meaning given in regulation 25 (calculation of amount of accrued pension for the purposes of Parts 4 and 5);
 - “accrued added pension (member and dependants)” has the meaning given in regulation 25 (calculation of amount of accrued pension for the purposes of Parts 4 and 5);
 - “accrued club transfer earned pension” has the meaning given in regulation 25 (calculation of amount of accrued pension for the purposes of Parts 4 and 5);

(1) 2014/2328
(2) 2004 c. 12.
(3) 1971 c. 56.
(4) 1993 c. 48.
(5) 1999 c. 30.

“accrued earned pension” has the meaning given in regulation 25 (calculation of amount of accrued pension for the purposes of Parts 4 and 5);

“accrued pension” has the meaning given in regulation 25 (calculation of amount of accrued pension for the purposes of Parts 4 and 5);

“active member” has the meaning given in section 124(1) of the Pensions Act 1995 and refers to membership of this scheme⁽⁶⁾;

“active member’s account” has the meaning given in regulation 29 (establishment of an active member’s account);

“actuarial” means determined by the scheme manager after consultation with the scheme actuary;

“added pension (member and dependants)”, in relation to a scheme year, means an amount calculated in accordance with regulation 32 (account to specify amount of pension for a scheme year);

“added pension” means—

- (a) added pension (member and dependants); and
- (b) added pension (member);

“added pension (member)”, in relation to a scheme year, means an amount calculated in accordance with regulation 32 (account to specify amount of pension for a scheme year);

“additional paternity leave” means leave which, in the opinion of the Secretary of State, corresponds to additional paternity leave within the meaning given in regulation 2(1) of the Additional Paternity Leave Regulations 2010⁽⁷⁾;

“allocation amount” in relation to a pension means the amount of the pension allocated as a result of the exercise of an allocation election;

“allocation election” means an election under regulation 61 (election to allocate pension);

“amount of credited pension” has the meaning given in regulation 41 (establishment of a pension credit member’s account);

“assumed pay” has the meaning given in regulation 24 (meaning of assumed pay);

“beginning date” means the date of which the pension is treated as beginning for the purpose of section 8(2) or 8(2A) of the PIA 1971;

“cash transfer sum” has the meaning given in section 101AB of the PSA 1993;

“club scheme” means a registered occupational pension scheme that has agreed to make and receive club transfer value payments under the club transfer arrangements;

“club transfer” means a transfer to or from this scheme under the club transfer arrangements;

“club transfer arrangements” means arrangements approved by the scheme manager as providing reciprocal arrangements between this scheme, any connected scheme and other registered occupational pension schemes for making and receiving club transfer value payments;

“club transfer earned pension” means pension attributable to receipt of a club transfer value payment;

“club transfer value payment” means payment of a club transfer value;

“club transfer value”, in relation to an amount of accrued earned pension under this scheme or under another club scheme, means an amount calculated by the scheme manager—

⁽⁶⁾ 1995 c. 26.
⁽⁷⁾ S.I. 2010/1055

- (a) in accordance with the club transfer arrangements; and
- (b) by reference to the guidance and tables provided by the Government Actuary for this purpose that are in use on the date used for the calculation;

“connected scheme” means another statutory pension scheme that is connected with this scheme within the meaning of section 4(6) of the Act;

“commanding officer” is to be read in accordance with section 360 of the Armed Forces Act 2006⁽⁸⁾;

“commutation amount” in relation to a pension means the amount of the pension exchanged for a lump sum as a result of the exercise of the option under regulation 59 (general option to exchange part of pension for lump sum) to commute an amount of pension to a lump sum;

“continuous period of pensionable service” has the meaning given in regulation 21 (“pensionable service”);

“deferred added pension” means—

- (a) deferred added pension (member), or
- (b) deferred added pension (member and dependants);

“deferred added pension (member)” means an amount calculated in accordance with regulation 35 (account to specify provisional amount of deferred pension);

“deferred added pension (member and dependants)” means an amount calculated in accordance with regulation 35 (account to specify provisional amount of deferred pension);

“deferred club transfer earned pension” means an amount calculated in accordance with regulation 35 (account to specify provisional amount of deferred pension);

“deferred earned pension” means an amount calculated in accordance with regulation 35 (account to specify provisional amount of deferred pension);

“deferred member” has the meaning given in section 124(1) of the Pensions Act 1995⁽⁹⁾ and refers to membership of this scheme;

“deferred member’s account” has the meaning given in regulation 34 (establishment of a deferred member’s account);

“deferred pension age” in relation to this scheme is determined in accordance with section 10 of the Act;

“dual capacity member” means a member who falls within regulation 14 (dual capacity membership);

“early payment reduction” means the actuarial reduction that is applied when calculating the annual rate of pension payable to a member of this scheme who has not reached their normal pension age and applies to receive their pension before their deferred pension age;

“earned pension” means the amount of earned pension calculated in accordance with regulation 32 (account to specify amount of pension for a scheme year) by applying the accrual rate to the member’s pensionable earnings for that year;

“earnings adjustments in determining final pensionable earnings” has the meaning given in regulation 77 (earnings adjustments in determining final pensionable earnings);

“eligible child” has the meaning given in regulation 73 (meaning of “eligible child”);

“employment” includes an office or appointment, and related expressions are to be read accordingly;

⁽⁸⁾ 2006 c.52.

⁽⁹⁾ 1995 c. 26.

“final pensionable earnings” has the meaning given in regulation 76 (meaning of ‘final pensionable earnings’);

“full protection” in relation to a person, means a person who remains an active member of a connected scheme by virtue of provisions being made under section 18(5) of the Act;

“guarantee date” has the meaning given in regulation 98 (Interpretation);

“guaranteed minimum” means the guaranteed minimum as defined in sections 14 and 17 of the PSA 1993 (minimum pension for earners, widows and widowers)—

- (a) as increased in accordance with the requirements of section 109 of that Act (annual increase of minimum pensions); and
- (b) if a reduction has been made under section 15A of that Act (reduction of guaranteed minimum in consequence of pension debit), as reduced in accordance with that section;

“ill-health pension” means an ill health pension payable under regulation 51, 52 or 56 (entitlement to ill-health pension: active member with permanent serious ill-health, entitlement to ill-health pension: active member with significant impairment of capacity for gainful employment and entitlement to ill-health pension: deferred member with permanent serious ill-health);

“index adjustment”, in relation to an opening balance, means—

- (a) for any scheme year (other than the opening balance of club transfer earned pension) the percentage increase or decrease for prices or earnings as the scheme manager, after consulting the scheme actuary, may determine to be applicable for any description of pension specified in a Treasury order under section 9(2) of the Act in relation to the previous scheme year; and
- (b) in relation to the opening balance of club transfer earned pension for any scheme year, means the adjustment that would apply to the opening balance of that amount of earned pension under the sending scheme for the previous scheme year;

“in-service late payment supplement” has the meaning given in regulation 39 (determination of “in-service late payment supplement”);

“last active scheme year” means the scheme year in which an active member ceases to be in pensionable service;

“last day of pensionable service”, in relation to a member, means the last day of the service in respect of which the member’s pensionable earnings are payable;

“late payment supplement” means an additional amount of pension that the scheme manager determines to be appropriate, after consulting the scheme actuary, because—

- (a) an active member leaves service at or after normal pension age but delays receipt of their pension; or
- (b) a deferred member or a pension credit member delays receipt of their pension beyond their deferred pension age;

“leaving year” has the meaning given in regulation 26 (calculation of “retirement index adjustment”);

“member”, in relation to this scheme, means an active member, deferred member, pensioner member or pension credit member;

“non regular permanent staff” means permanent staff of the reserve forces within the meaning of section 6 of the Reserve Forces Act 1996;

“normal pension age”, in relation to this scheme, is determined in accordance with section 10 of the Act;

“occupational pension scheme” has the meaning given in section 1 of the PSA 1993;

“opening balance”, in relation to a description of pension for a scheme year, has the meaning given in regulation 33 (account to specify opening balance and index adjustment);

“ordinary adoption leave” means leave which, in the opinion of the Secretary of State, corresponds to ordinary adoption leave within the meaning given in regulation 2(1) of the Paternity and Adoption Leave Regulations 2002⁽¹⁰⁾;

“ordinary maternity leave” means leave which, in the opinion of the Secretary of State, corresponds to ordinary maternity leave within the meaning of the Maternity and Parental Leave etc. Regulations 1999⁽¹¹⁾;

“ordinary paternity leave” means leave which, in the opinion of the Secretary of State, corresponds to paternity leave within the meaning of the Paternity and Adoption Leave Regulations 2002;

“pay period” means a period in respect of which a member’s pensionable earnings are payable;

“pension credit” has the meaning given in section 124(1) of the Pensions Act 1995;

“pension credit member”, in relation to this scheme, means a person who has rights under this scheme which are attributable, directly or indirectly, to a pension credit under a pension sharing order following dissolution of marriage or civil partnership;

“pension credit member’s account” has the meaning given in regulation 41 (establishment of a pension credit member’s account);

“pension credit member’s pension” means a pension payable under regulation 47 (pension credit member’s pension);

“pension credit rights” has the meaning given in section 124(1) of the Pension Act 1995;

“pension debit” means a debit under section 29(1)(a) of the WRPA 1999;

“pension debit member” means a person who is a member of this scheme whose benefits or future benefits under this scheme have been reduced under section 31 of the WRPA 1999;

“pensionable earnings” has the meaning given in regulation 23 (pensionable earnings);

“pensionable public service” means pensionable service under—

- (a) another public service scheme, or
- (b) a new public body pension scheme;

“pensionable service”, in relation to this scheme, has the meaning given in regulation 21 (pensionable service);

“pensioner member” has the meaning given in section 124(1) of the Pensions Act 1995 and refers to membership of this scheme;

“pensioner member’s account” has the meaning given in regulation 38 (establishment of a pensioner member’s account);

“pension sharing order” means any provision or order specified in section 28 of the WRPA 1999;

“pensions board” has the meaning given in regulation 5 (establishment of pensions board);

“period of earlier service” means a previous continuous period of pensionable service under this scheme;

“person’s first day”, in relation to any scheme employment, has the meaning given in regulation 16(3) (eligibility for active membership);

⁽¹⁰⁾ S.I. 2002/2788.

⁽¹¹⁾ S.I. 1999/3312.

“personal pension scheme” means a personal pension scheme within the meaning of section 1 of the PSA 1993 which is registered under Chapter 2 of Part 4 of the FA 2004 (registration of pension schemes);

“provisional amount”, in relation to a description of deferred pension, has the meaning given in regulation 35 (account to specify provisional amount of deferred pension);

“public service scheme” means a scheme under section 1 of the Act;

“qualifying scheme” has the meaning given by regulation 22 (qualifying service);

“regular forces” has the same meaning as in the Armed Forces Act 2006⁽¹²⁾ (see section 374 of that Act);

“reserve forces” has the same meaning as in the Reserve Forces Act 1996⁽¹³⁾ (see section 1(2) of that Act);

“retirement added pension (member)” means an amount calculated in accordance with regulation 40 (account to specify amount of retirement pension);

“retirement added pension (member and dependants)” means an amount calculated in accordance with regulation 40 (account to specify amount of retirement pension);

“retirement added pension” means—

- (a) retirement added pension (member), and
- (b) retirement added pension (member and dependants);

“retirement benefits” means retirement benefits payable under Part 5 (Retirement benefits);

“retirement club transfer earned pension” means an amount calculated in accordance with regulation 40 (account to specify amount of retirement pension);

“retirement earned pension” means an amount calculated in accordance with regulation 40 (account to specify amount of retirement pension);

“retirement index adjustment”, in relation to an amount of accrued pension, has the meaning given in regulation 26 (calculation of ‘retirement index adjustment’);

“retirement pension” means—

- (a) a retirement earned pension;
- (b) a retirement added pension; and
- (c) a retirement club transfer earned pension.

“this scheme” means the scheme established by these Regulations;

“scheme actuary” has the meaning given in regulation 113 (appointment of scheme actuary and actuarial valuations);

“scheme administrator” except under regulation 117 (scheme administrator for the purpose of the FA 2004), in relation to a member or a function, means the person responsible for the day to day administration of the scheme in relation to the member or in respect of the function;

“scheme advisory board” has the meaning given in regulation 9 (establishment of scheme advisory board);

“scheme employment” has the meaning given in regulation 13 (description of persons in scheme employment);

“scheme manager” has the meaning given in regulation 4 (scheme manager);

“scheme medical adviser” means the medical adviser appointed by the scheme manager for the time being to provide a consulting service on medical matters relevant to this scheme;

⁽¹²⁾ 2006 c.52.

⁽¹³⁾ 1996 c.14.

“scheme year” means a period of one year beginning with 1st April and ending 31st March;

“service detention” has the same meaning as in the Armed Forces Act 2006 (see section 374 of that Act);

“sending scheme” means a club scheme which pays a club transfer value;

“statutory maternity pay” means statutory maternity pay with the meaning of the Social Security Contributions and Benefits Act 1992;

“transfer payment” means a transfer value payment or a club transfer value payment;

“transfer value” has the meaning given in Part 8 (Transfers);

“transfer value payment” has the meaning given in regulation 98 (Interpretation);

“transferred pension” means pension attributable to receipt of a transfer value payment calculated in accordance with regulation 32(5) (account to specify amount of pension for a scheme year);

“transition member” means a person—

(a) who is a member of a connected scheme by virtue of pensionable service under the connected scheme before 1st April 2015; and

(b) who is also a member of this scheme by virtue of pensionable service under this scheme;

“Treasury directions” has the meaning given in regulation 113 (appointment of scheme actuary and actuarial valuation);

“weekly rate”, in relation to a guaranteed minimum pension, has the same meaning as in regulation 55(1) of the Occupational Pension Schemes (Contracting-out) Regulations 1996(14).

(2) In these Regulations—

“each description of deferred pension” means—

(a) deferred earned pension,

(b) deferred club transfer earned pension,

(c) deferred added pension (member and dependants),

(d) deferred added pension (member);

“each description of pension” means—

(a) an earned pension,

(b) a club transfer earned pension,

(c) an added pension (member and dependants),

(d) an added pension (member),

(e) a transferred pension;

“relevant accrued pension” means—

(a) for an earned pension or transferred pension, the accrued earned pension,

(b) for a club transfer earned pension, the accrued club transfer earned pension,

(c) for an added pension (member and dependants), the accrued added pension (member and dependants), and

(d) for an added pension (member), the accrued added pension (member);

“relevant deferred pension” means—

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- (a) for an earned pension or transferred pension, the deferred earned pension,
 - (b) for a club transfer earned pension, the deferred club transfer earned pension,
 - (c) for an added pension (member and dependants), the deferred added pension (member and dependants), and
 - (d) for an added pension (member), the deferred added pension (member);
- “relevant retirement pension” means—
- (e) for an earned pension or transferred pension, the retirement earned pension,
 - (f) for a club transfer earned pension, the retirement club transfer earned pension,
 - (g) for an added pension (member and dependants), the retirement added pension (member and dependants), and
 - (h) for an added pension (member), the retirement added pension (member).