
STATUTORY INSTRUMENTS

2014 No. 2336

The Armed Forces Pension Regulations 2014

PART 4

Pension accounts

CHAPTER 1

Preliminary

Calculation of amount of accrued pension for the purposes of Parts 4 and 5

25.—(1) For the purposes of Parts 4 and 5, the amount of accrued pension is calculated in accordance with this regulation.

(2) The amount of accrued earned pension is the sum of the following amounts specified in the active member's account as at the end of the last day of pensionable service—

- (a) the opening balance of earned pension for the last active scheme year and the index adjustment for that opening balance;
- (b) the amount of earned pension for the last active scheme year;
- (c) the opening balance of transferred pension for the last active scheme year and the index adjustment for that opening balance; and
- (d) the amount of transferred pension for the last active scheme year.

(3) The amount of the accrued added pension (member) is the sum of the following amounts specified in the active member's account as at the end of the last day of pensionable service—

- (a) the opening balance of the accrued added pension (member) for the last active scheme year and the index adjustment for that opening balance; and
- (b) the amount of accrued added pension (member) for the last active scheme year.

(4) The amount of the accrued added pension (member and dependants) is the sum of the following amounts specified in the active member's account as at the end of the last day of pensionable service—

- (a) the opening balance of accrued added pension (member and dependants) for the last active scheme year and the index adjustment for that opening balance; and
- (b) the amount of accrued added pension (member and dependants) for the last active scheme year.

(5) The amount of the accrued club transfer earned pension is the total of the following amounts specified in the active member's account as at the end of the last day of pensionable service—

- (a) for each sending scheme, the sum of the opening balance of the club transfer earned pension for the last active scheme year and the index adjustment for that opening balance; and
- (b) for each sending scheme, the amount of club transfer earned pension for the last active scheme year.

Calculation of “retirement index adjustment”

26.—(1) For the purpose of this Part, the retirement index adjustment for an amount of accrued pension is an amount calculated as follows—

Step 1

Multiply $(A \div B)$ by the percentage increase

where—

A is the number of complete months in the period between the beginning of the leaving year and the end of the last day of pensionable service; and

B is 12.

The resulting percentage is the retirement index percentage.

Step 2

Apply the retirement index percentage to the amount of accrued pension.

The resulting amount is the retirement index adjustment.

(2) In this regulation—

“complete month” includes an incomplete month that consists of at least 16 days;

“the leaving year” means the scheme year in which the last day of pensionable service falls;

“percentage increase” means—

- (a) for this scheme an increase or decrease in prices or earnings (as the scheme manager may determine to be applicable to a description of pension) specified in the Treasury order for that year; and
- (b) for a sending scheme, the increase or decrease that applies under that scheme to the revaluation of earned pension in that year as published by the Treasury;

“the Treasury order” means an order under section 9(2) of the Act.