
STATUTORY INSTRUMENTS

2014 No. 2336

The Armed Forces Pension Regulations 2014

PART 4

Pension accounts

CHAPTER 4

Deferred member's account

Establishment of a deferred member's account

34. When an active member ceases to be in pensionable service and becomes a deferred member in relation to rights accrued in that service—

- (a) the active member's account for that service must be closed; and
- (b) a pension account for the deferred member must be established ("the deferred member's account").

Account to specify provisional amount of deferred pension

35.—(1) The deferred member's account must specify, for each description of pension, the provisional amount of the relevant deferred pension.

(2) The provisional amount of deferred earned pension is the sum of the amount of accrued earned pension and the retirement index adjustment for that amount.

(3) The provisional amount of the deferred club transfer earned pension is the sum of the amount of accrued club transfer earned pension and the retirement index adjustment for that amount.

(4) The provisional amount of deferred added pension (member) is the sum of the amount of accrued added pension (member) and the retirement index adjustment for that amount.

(5) The provisional amount of deferred added pension (member and dependants) is the sum of the amount of accrued added pension (member and dependants) and the retirement index adjustment for that amount.

(6) The retirement index adjustment is not to be applied to an amount of accrued pension if a transfer value payment is made or a cash transfer sum is paid out in respect of the member's right to that accrued pension before the end of the last active scheme year.

Adjustment of provisional amount of deferred pension on retirement

36. When a deferred member becomes entitled under regulation 44 (retirement before reaching normal pension age – deferred members) to the payment of a retirement pension, the deferred member's account must specify for the provisional amount of each description of deferred pension—

- (a) the early payment reduction (if any);
- (b) the late payment supplement (if any);

- (c) the commutation amount (if any); and
- (d) the allocation amount (if any).

Treatment of deferred member's account on return to pensionable service

37.—(1) When a deferred member re-enters pensionable service not later than 5 years after the date on which a period of earlier service ceased—

- (a) the deferred member's account must be closed and it must be treated as if it were never established;
- (b) the active member's account must be re-established; and
- (c) entries must be made in the active member's account as if, during the period in which the deferred member's account was open, the member—
 - (i) was in pensionable service; but
 - (ii) received no pensionable earnings.

(2) When a deferred member re-enters pensionable service more than 5 years after the date on which a period of earlier service ceased—

- (a) the deferred member's account must remain open; and
- (b) an active member's account must be established from the first day for the new period of pensionable service.