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STATUTORY INSTRUMENTS

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**2014 No. 2336**

**The Armed Forces Pension Regulations 2014**

**PART 4**

**Pension accounts**

**CHAPTER 5**

**Pensioner member's account**

**Establishment of a pensioner member's account**

**38.**—(1) When an active member becomes entitled to the immediate payment of a retirement earned pension under regulation 43 (retirement on or after reaching normal pension age – active members) or an ill-health pension under regulation 51 or 52 (entitlement to ill-health pension: active member with permanent serious ill-health and entitlement to ill-health pension: active member with significant impairment of capacity for gainful employment)—

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

(2) When a deferred member becomes entitled to the payment of a retirement earned pension under regulation 44 (retirement before reaching normal pension age – deferred members) or an ill-health pension under regulation 56 (entitlement to ill-health pension: deferred member with permanent serious ill-health)—

- (a) the deferred member's account must be closed; and
- (b) a pension account for the pensioner member must be established (“the pensioner member's account”).

**Determination of “in-service late payment supplement”**

**39.**—(1) This regulation applies for any period an active member remains in service subsequent to the scheme year in which the member reaches normal pension age.

(2) The scheme manager, having regard to the guidance from the scheme actuary, must determine the in-service late payment supplement for each amount of accrued pension specified in the pensioner member's account.

(3) In these Regulations, “in-service late payment supplement” means an additional amount of pension determined by reference to the period in service after an active member has reached normal pension age.

**Account to specify amount of retirement pension**

**40.**—(1) The pensioner member's account must specify, for each description of pension, the amount of the relevant retirement pension.

- (2) The retirement earned pension is the sum of the amount of accrued earned pension and the retirement index adjustment for that amount.
- (3) The retirement club transfer earned pension is the sum of the amount of accrued club transfer pension and the retirement index adjustment for that amount.
- (4) The retirement added pension (member) is the sum of the amount of accrued added pension (member) and the retirement index adjustment for that amount.
- (5) The retirement 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 pension member's account must specify for each amount of retirement pension—
  - (a) the early payment reduction (if any) specified in that account in relation to the relevant accrued pension;
  - (b) the in-service late payment supplement (if any);
  - (c) the late payment supplement (if any);
  - (d) the commutation amount (if any); and
  - (e) the allocation amount (if any).
- (7) When a pensioner member re-enters pensionable service—
  - (a) the pensioner member's account must remain open; and
  - (b) an active member's account must be established for the new period of service.