
STATUTORY INSTRUMENTS

2014 No. 2336

The Armed Forces Pension Regulations 2014

PART 9

Actuarial valuations and employer cost cap

Appointment of scheme actuary and actuarial valuations

113.—(1) The Secretary of State must appoint an actuary (the “scheme actuary”) to provide a consulting service on actuarial matters relevant to this scheme or a connected scheme.

(2) The scheme actuary is responsible for—

- (a) carrying out valuations of the scheme and any connected scheme; and
- (b) preparing a report on such a valuation.

(3) Before appointing an actuary as scheme actuary the Secretary of State must be satisfied that the actuary is appropriately qualified to carry out valuations of this scheme and any connected scheme in accordance with Treasury directions under section 11 of the Act (the “Treasury directions”).

(4) The scheme administrator is responsible for providing the scheme actuary with any data that the scheme actuary requires, in accordance with Treasury directions, in order to carry out a valuation and prepare a report on the valuation.

(5) A valuation of the scheme and any connected scheme and the preparation of a report on the valuation must be carried out in accordance with the Treasury directions.

(6) Valuations of the scheme must be carried out within a time-frame which enables requirements in the Treasury directions regarding dates which are applicable to the valuation to be met.

Employer cost cap

114.—(1) The employer cost cap for this scheme is such percentage of pensionable earnings of members of this scheme as the Secretary of State shall determine with the approval of the Treasury.

(2) Where the cost of this scheme goes beyond the margin either side of the employer cost cap for this scheme specified in regulations under section 12(5)(a) of the Act, the Secretary of State must consult such persons (or those appearing to the Secretary of State to represent such persons) as appear to the Secretary of State likely to be affected by any steps that will be taken, with a view to the Secretary of State determining the steps required to achieve the target cost for this scheme.

(3) Following such consultation, the Secretary of State must determine that an adjustment to this scheme must be made so that the target cost for it is achieved.

(4) In this regulation—

- (a) “cost of this scheme” means the cost of this scheme calculated following a valuation in accordance with regulation 113 (appointment of scheme actuary and actuarial valuations); and
- (b) “target cost for this scheme” means the target cost for this scheme specified in regulations under section 12(5)(b) of the Act.