



Armed Forces (Pensions and Compensation) Act 2004

2004 CHAPTER 32

Pensions and compensation

1 Pension and compensation schemes: armed and reserve forces

- (1) The Secretary of State may by order establish schemes which, in respect of a person's service in the armed forces, provide—
 - (a) for benefits, in the form of pensions or otherwise, to be payable to or in respect of him on termination of service or on death or retirement, or
 - (b) for payments to be made towards the provision of such benefits.

Such a scheme is referred to in this Act as an armed forces pension scheme.

- (2) The Secretary of State may by order establish schemes which provide for benefits to be payable to or in respect of a person by reason of his illness or injury (whether physical or mental), or his death, which is attributable (wholly or partly) to his service in the armed forces or the reserve forces.

Such a scheme is referred to in this Act as an armed and reserve forces compensation scheme.

- (3) The Secretary of State may provide for any scheme under this section to be administered by another person.

2 Payments due from scheme administrator in respect of deceased persons

- (1) This section applies if on the death of any person who is or has been a member of the armed forces or the reserve forces—
 - (a) an amount is due to him in respect of benefits payable under an armed forces pension scheme or an armed and reserve forces compensation scheme, and
 - (b) the amount is payable by a person ("the administrator") other than the Secretary of State.

- (2) Sections 3 and 5 to 11 of the Navy and Marines (Property of Deceased) Act 1865 (c. 111) (distribution of personal estate of deceased seamen, etc.) are to have effect in relation to the due amount as if it were payable by the Secretary of State, and the Secretary of State may give directions to the administrator as to the payment of that amount.
- (3) Section 4 of the Pensions and Yeomanry Pay Act 1884 (c. 55) (distribution of personal estate of deceased soldiers, etc., not exceeding £5000) is to have effect in relation to the due amount as if it were held by or under the control of the Secretary of State, and the Secretary of State may give directions to the administrator as to the payment of the due amount.

3 Accrued rights

- (1) The power of the Secretary of State to modify an armed forces pension scheme may not on any occasion be exercised in any manner which would or might adversely affect any entitlement, accrued rights or pension credit rights of any member of the scheme acquired before the power is exercised unless—
 - (a) the consent requirements are satisfied in respect of the exercise of the power on that occasion in that manner, or
 - (b) the scheme is modified in the prescribed manner.
- (2) The consent requirements are those prescribed for the purpose of obtaining the consent of members of the scheme to its modification.
- (3) In this section—
 - “prescribed” means prescribed by an order under section 1,
 - “accrued rights”, “entitlement”, “member” and “pension credit rights” have the same meanings as in Part 1 of the Pensions Act 1995 (c. 26).

4 Existing naval and marine pensions

In section 3 of the Naval and Marine Pay and Pensions Act 1865 (c. 73) (payment to officers, widows etc.), for the words from “services” to “deceased” there is substituted “service in Her Majesty’s naval or marine force as an”.