
STATUTORY INSTRUMENTS

2005 No. 439

**The Armed Forces and Reserve Forces
(Compensation Scheme) Order 2005**

PART X

UP-RATING

Annual up-rating of guaranteed income payment, survivor's guaranteed income payment and child's payment

63. In every tax year the sums which are payable to a person by way of guaranteed income payment, survivor's guaranteed income payment or child's payment shall be increased by the same amount as that by which an annual pension of an amount equal to the guaranteed income payment, survivor's guaranteed income payment or child's payment would have been increased under the Pensions (Increase) Act 1971⁽¹⁾ if it were an annual pension eligible to be increased under that Act.

Up-rating of relevant salary for the purposes of articles 16, 26 and 28

64.—(1) Where, in the definition of "relevant salary" in articles 16, 26 and 28, the salary of a former member of the forces on the day his service ends or the day on which he died as the case may be ("the departure day"), is required to be up-rated for inflation, the Secretary of State shall review that salary in order to determine whether it would have retained its value in relation to the general level of prices obtaining in the United Kingdom, estimated in such manner as the Secretary of State thinks fit, had it been paid on the date on which guaranteed income payment, survivor's guaranteed income payment or child's payment as the case may be is to be paid for the first time ("the payment date").

(2) Where it appears to the Secretary of State that the general level of prices is greater on the payment day than it was on the departure day, the relevant salary for the purposes of articles 16, 26 and 28 shall be the amount of the former member of the forces' salary on the departure day increased by the percentage by which the general level of prices is greater on the payment day than it was on the departure day.

(3) The Secretary of State may, in providing for an increase in pursuance of paragraph (2), adjust the increased amount so as to round it up or down to the nearest pound as the case may be.

⁽¹⁾ 1971 c. 56.