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STATUTORY INSTRUMENTS

2009 No. 262

PENSIONS

**The Armed Forces (Pensions)(Prescribed Modification) Order
2009**

<i>Made</i>	- - - -	<i>11th February 2009</i>
<i>Laid before Parliament</i>		<i>12th February 2009</i>
<i>Coming into force</i>	- -	<i>6th March 2009</i>

The Secretary of State for Defence, in exercise of the powers conferred by sections 1 and 3(3) of the Armed Forces (Pensions and Compensation) Act 2004(a), makes the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Armed Forces (Pensions)(Prescribed Modification) Order 2009 and comes into force on 6th March 2009.

(2) In this Order—

“final pensionable earnings” has the meaning given in rule A.4 of the Scheme; and

“the Scheme” means the Armed Forces Pension Scheme 2005 established by the Armed Forces Pension Scheme Order 2005(b) and set out in Schedule 1 to that Order.

Modification of the Armed Forces Pension Scheme 2005

2. For the purposes of section 3(1)(b) of the Armed Forces (Pensions and Compensation) Act 2004, the prescribed manner of the exercise of the power to modify a pension scheme established under section 1(1) of that Act is any modification to the way that adjustments for inflation are calculated for the purposes of—

- (a) determining final pensionable earnings;
- (b) increasing pensions.

11th February 2009

Kevan Jones
Parliamentary Under Secretary of State
Ministry of Defence

(a) 2004 c.32.

(b) S.I. 2005/438, amended by S.I. 2006/717, 2007/2608 and 2008/229.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under the Armed Forces (Pensions and Compensation) Act 2004 (c. 32) (“the 2004 Act”). Section 3(1) of the 2004 Act provides that the power of the Secretary of State to modify a scheme established under section 1(1) of that Act in a way that would or might adversely affect any accrued rights or entitlements of members can only be exercised if either the consent requirements are satisfied or the Scheme is modified in the prescribed manner.

Article 2 of this Order prescribes the way in which the power to modify may be exercised. It allows changes to be made to the way in which adjustments for inflation are calculated when determining final pensionable earnings (paragraph (a)) and are applied to increase pensions (paragraph (b)).

A full regulatory impact assessment has not been produced on this instrument as it has no impact on the costs of business, charities or the voluntary sector.

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