
STATUTORY INSTRUMENTS

2009 No. 544

**The Armed Forces Pension Scheme
etc. (Amendment) Order 2009**

Inflation adjustments in determining final relevant earnings for early departure payment awards

3. For article 7 substitute—

“Inflation adjustments in determining final relevant earnings

7.—(1) For the purpose of determining a person’s final relevant earnings under article 6, the amount of relevant earnings, as determined in accordance with article 6, for that part of the period of 365 days that falls 365 days or more before the last day of service is adjusted for inflation.

(2) If the member’s final relevant earnings are determined in accordance with paragraph (1) to be an amount for any period in relation to which any adjustment for inflation has been made under this article, then, except as provided in article 11(2) and (3), the member’s final relevant earnings are to be taken for all purposes to be the amount so determined after that adjustment.

(3) The reference in paragraph (1) to adjusting for inflation the amount of relevant earnings for part of a period is a reference to increasing it by the same amount as that by which an annual pension of an amount equal to those earnings would have been increased under the Pensions (Increase) Act 1971⁽¹⁾ on the day following the last day of relevant service if the pension—

- (a) were eligible to be so increased, and
- (b) had come into payment on the day following the last day of that period.”.