

**2014 No. 2958**

**PENSIONS**

**The Armed Forces Pension Scheme and Armed Forces Early  
Departure Payments Scheme (Amendment) Order 2014**

<i>Made</i>	- - - -	<i>8th November 2014</i>
<i>Laid before Parliament</i>		<i>13th November 2014</i>
<i>Coming into force</i>	- -	<i>17th December 2014</i>

The Secretary of State for Defence in exercise of the powers conferred by section 1(1) and 10(2) of the Armed Forces and Compensation Act 2004(a) makes the following Order:

**PART 1**

**Preliminary**

**Citation and commencement**

**1.**—(1) This Order may be cited as the Armed Forces Pension Scheme and Armed Forces Early Departure Payments Scheme (Amendment) Order 2014.

(2) The Order comes into force on 17th December 2014.

**Interpretation**

**2.** In this Order—

“AFPS Order 2005” means the Armed Forces Pension Scheme Order 2005(b); and

“the EDP Order 2005” means the Armed Forces Early Departure Payments Scheme Order 2005(c).

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(a) 2004 c. 32.  
(b) S.I. 2005/438 as amended.  
(c) S.I. 2005/437 as amended.

## PART 2

### Amendments to the Armed Forces Pension Scheme 2005

#### **Amendment to rule G.4 of the AFPS Order 2005 (option to aggregate etc)**

**3.**—(1) In rule G.4 of the AFPS Order 2005 (option to aggregate earlier membership: previous members of the AFPS 1975) paragraph (1) is amended by omitting the words “which ended before 6th April 2005”.

(2) After paragraph (1) the following paragraph is inserted—

“(1A) This rule also applies in the case of a member to whom rule G.3 does not apply who was awarded a preserved pension and lump sum under the AFPS 1975 in respect of qualifying and reckonable service, and who left service on or after 1st January 2012 and before 16th December 2013 without having exercised an option under this rule.”.

(3) After paragraph (4) the following paragraph is inserted—

“(5) Where a person whose period of AFPS 1975 service ended on or after 6th April 2005 has exercised an option under this rule in accordance with the procedure set out in rule G.5(2), that option is to be regarded as valid.”.

## PART 3

### Amendments to the Armed Forces Early Departure Payments Scheme 2005

#### **Amendment to article 4 (meaning of “relevant service”) of the EDP Order 2005**

**4.** Article 4 (meaning of “relevant service”) of the EDP Order 2005 is amended by—

- (a) numbering the existing text as (1),
- (b) in sub-paragraph (f) for “sub-paragraph (g)” substituting “paragraph (2)”,
- (c) for sub-paragraph (g) substituting—

“(2) Subject to paragraph (3), for the purposes of paragraph 1(f)—

- (a) a period of service is only to be regarded as relevant service where—
  - (i) the person has exercised the option to aggregate that period of service with current service for pensions purposes under Part G of the Armed Forces Pension Scheme Order 2005, and
  - (ii) the person has not received any payments in respect of a pension payable under AFPS 1975 in respect of that period of service.

(3) For the purposes of assessing entitlement to a resettlement grant under article 14 paragraph (2) does not apply.”.

#### **Amendment to article 12 (effect of rejoining armed forces etc) of the EDP Order 2005**

**5.** Article 12 (effect of rejoining armed forces or entering certain reserve forces service on article 9 award) of the EDP Order 2005 is amended by inserting after paragraph(4)—

“(4A) For the purposes of paragraph (3)(b)—

- (a) a person is to receive a fresh entitlement under article 9 where the award exceeds the person’s former entitlement under article 9,
- (b) where a fresh entitlement would not exceed the former entitlement, the former entitlement revives instead.”.

8th November 2014

*Anna Soubry*  
Minister of State  
Ministry of Defence

## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

Part 2 of the Order amends rule G.4 of the Armed Forces Pension Scheme 2005.

Rule G.4 gives active members of AFPS 2005 who have previous service as an active member of AFPS 1975 after a gap in service the option of aggregating their AFPS 1975 service (or their last period of AFPS 1975 service if there is more than one period) with their AFPS 2005 service so that it counts towards their AFPS 2005 pension. Paragraph 3 of this Order amends that rule by removing the requirement that the AFPS 1975 service ended before 6th April 2005. Paragraph 3 also renders valid (from the time this Order comes into force) options to aggregate periods of AFPS 1975 service into an AFPS 2005 pension, that were purportedly exercised by individuals under rule G.4, but which were not valid options at the time they had been purportedly exercised because the period of service did not end before 6th April 2005, as required by rule G.4. Finally, paragraph 3 gives people who left service between 1st January 2012 and 15th December 2013 without having exercised the option of aggregating their AFPS 1975 service with their AFPS 2005 service under rule G.4, the option of now doing so.

Part 3 of the Order amends articles 4 and 12 of the Armed Forces Early Departure Payments Scheme Order 2005.

Article 4 defines the meaning of “relevant service”. The term “relevant service” is used to determine eligibility for benefits in the scheme and, in some cases, the amount of the benefit. Former active members of the AFPS 1975 who rejoined the service as members of the AFPS 2005 had the option to aggregate their AFPS 1975 service with their AFPS 2005 service for pension purposes, which meant that their previous AFPS 1975 service counted as relevant service for the purpose of early departure benefits under the EDP 2005. This amendment means that a member’s previous AFPS 1975 service can now count as “relevant service” under the EDP Order without the member having opted to aggregate that service for pension purposes, but only for the purpose of assessing the member’s entitlement to a resettlement grant under article 14 of the EDP 2005.

Article 12 sets out the effect of rejoining the armed forces on those who are receiving early departure payments. Some members who are in receipt of early departure payments and who rejoin the armed forces are re-engaged at a significantly lower rank and pay scale. Article 12 allows early departure payments to be recalculated for those members who were previously in receipt of payments, at the end of their subsequent period of service. The amendment ensures that where a lower salary during the second period of service results in a lower early departure payment, the former payment is revived instead.

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