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STATUTORY INSTRUMENTS

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**2015 No. 460**

**DEFENCE**

**The Reserve Forces (Call-out and Recall) (Financial Assistance) (Amendment) Regulations 2015**

<i>Made</i>	- - - -	<i>3rd March 2015</i>
<i>Laid before Parliament</i>		<i>5th March 2015</i>
<i>Coming into force</i>	- -	<i>27th March 2015</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 83 and 84 of the Reserve Forces Act 1996<sup>(1)</sup> and after consultation by him in accordance with section 85(3) of that Act.

**Citation and commencement**

1. These Regulations may be cited as the Reserve Forces (Call-out and Recall) (Financial Assistance) (Amendment) Regulations 2015 and come into force on 27th March 2015.

**Interpretation**

2. In these Regulations “the 2005 Regulations” means the Reserve Forces (Call-out and Recall) (Financial Assistance) Regulations 2005<sup>(2)</sup>.

**Amendments to Parts 1 and 2 of the 2005 Regulations**

3.—(1) In paragraph (1) of regulation 2 (general interpretation) of the 2005 Regulations—

(a) after the definition of “employer”, insert—

““handover” means—

- (a) a period of transfer, by the reservist, of work from the reservist to any person who is to replace the reservist during the relevant period and which an adjudication officer is satisfied the replacement needs for the performance of his or her employment as the reservist’s replacement; or
- (b) a period of transfer, by any person who replaced the reservist during the relevant period, of work from the replacement to the reservist and which an

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(1) 1996 c. 14.  
(2) S.I. 2005/859.

adjudication officer is satisfied the reservist needs, as a result of his or her relevant service, for the performance of his or her employment;”;

(b) in the definition of “service pay”, for “grant.” substitute “grant;”;

(c) after the definition of “service pay”, insert—

““undertaking” has the meaning given in section 1161(1) of the Companies Act 2006(3).”.

(2) In paragraph (5)(b) of regulation 3 (reservist’s award) of the 2005 Regulations, for “£548” substitute “£400”.

(3) After regulation 5 (pensions payments) of the 2005 Regulations, insert—

**“Self-employed reservist’s award**

**5A.**—(1) Subject to fulfilment to an adjudication officer’s satisfaction of the requirement to furnish information or documentation under paragraph (3A) of regulation 11, a self-employed reservist is entitled to claim an award under this regulation for expenses that he or she incurs in respect of the period of cessation of his or her undertaking.

(2) The amount of a self-employed reservist’s award is (subject to the cap) the total of—

- (a) the expenses incurred before or during the relevant period in order to effect the cessation; and
- (b) any expenses incurred before, during or after the relevant period and which an adjudication officer is satisfied—
  - (i) fall within paragraph (3);
  - (ii) are in respect of his or her undertaking; and
  - (iii) are not expenses which the self-employed reservist has paid or will pay from earnings in respect of which he is entitled to claim an award under regulation 3 of the 2005 Regulations.

(3) For the purposes of paragraph (2)(b), the specified expenses are—

- (a) the cost of insuring the business or equipment;
- (b) the cost of renting business premises;
- (c) business rates;
- (d) profession or trade membership fees;
- (e) the cost of line rental for telephone or internet;
- (f) the cost of leasing vehicles or equipment.

(4) For the purposes of this regulation the cap is £2000.

(5) A claim under this regulation may be for expenses which have been, or will be, incurred. In the case of expenses which will be incurred, an adjudication officer may agree to make monthly payments under this regulation subject to evidence being provided subsequently that the amounts have been paid by the reservist.

(6) In this regulation “cessation of his or her undertaking” means cessation, for any part of the relevant period and by reason of the relevant service of the self-employed reservist, of the operation of any part or all of the undertaking in which he or she is self-employed.”.

### **Amendments to Part 3 of the 2005 Regulations**

4.—(1) For paragraph (4) of regulation 6 (employer’s awards) of the 2005 Regulations substitute—

“(4) In addition an employer may claim the amount of certain costs that he or she incurs in replacing the reservist. Those costs are—

- (a) agency fees;
- (b) non-recurring advertising costs.”.

(2) After regulation 7 (training award) of the 2005 Regulations, insert—

#### **“Replacement award**

7A.—(1) Subject to fulfilment to an adjudication officer’s satisfaction of the requirement to furnish information or documentation under paragraph (5A) of regulation 11, an employer is entitled to reclaim the cost (subject to the cap) of training for any person who replaces the reservist during the relevant period, if an adjudication officer is satisfied that the replacement needs to undertake such training for the performance of his or her employment as the reservist’s replacement.

(2) For the purposes of this regulation the cap is £2000.

#### **Handover award**

7B.—(1) Subject to fulfilment to an adjudication officer’s satisfaction of the requirement to furnish information or documentation under paragraph (5B) of regulation 11, an employer is entitled to claim an award under this regulation in respect of a handover.

(2) The amount payable in respect of a handover is (subject to paragraph (3) and the cap) the daily rate of pay to any replacement of the reservist during the handover multiplied by the number of days on which the handover was conducted.

(3) An employer may claim under this regulation in respect of no more than 5 days on which a handover was conducted before the relevant period and no more than 5 days on which a handover was conducted after the relevant period.

(4) For the purposes of this regulation the cap is the sum of the daily rate of pay to the reservist during the handover and £110 per day.

#### **Clothing award**

7C.—(1) Subject to fulfilment to an adjudication officer’s satisfaction of the requirement to furnish information or documentation under paragraph (5C) of regulation 11, an employer is entitled to reclaim the cost (subject to the cap) of providing specialist clothing to any person who replaces the reservist during the relevant period, if an adjudication officer is satisfied that the replacement requires the clothing for the performance of his or her employment as the reservist’s replacement.

(2) For the purposes of this regulation the cap is the lesser of £300 or 75% of the costs incurred by the employer in providing the clothing.”.

### **Amendments to Part 4 of the 2005 Regulations**

5.—(1) After paragraph (3) of regulation 11 (information and documentation to be furnished in relation to claims) of the 2005 Regulations, insert—

“(3A) When making a claim under regulation 5A a self-employed reservist must supply the information specified in paragraph 1(a) to (c) of Schedule 2 to an adjudication officer together with—

- (a) a statement of the period of cessation of his or her undertaking;
- (b) details of any expenses in respect of which the claim is made incurred in order to effect cessation of his or her undertaking;
- (c) details of any expenses in respect of which the claim is made falling within regulation 5A(2)(b);
- (d) invoices for the expenses within sub-paragraphs (b) and (c).”.

(2) After paragraph (5) of regulation 11 of the 2005 Regulations, insert—

“(5A) When making a claim under regulation 7A an employer must supply the information specified in paragraph 1(a) to (c) of Schedule 2 to an adjudication officer together with—

- (a) a statement of the training that the person replacing the reservist is required to undertake for the performance of his or her employment as the reservist’s replacement;
- (b) a statement that the employer makes the maximum use of opportunities for the reservist’s replacement to acquire the necessary standard at no additional cost to the employer through such free training as may be available or workplace experience;
- (c) invoices for the training in respect of which the claim is made.

(5B) When making a claim under regulation 7B an employer must supply the information specified in paragraph 1(a) to (c) of Schedule 2 to an adjudication officer together with—

- (a) a statement of the daily rate of pay to the reservist during the handover;
- (b) a statement of the daily rate of pay to the reservist’s replacement during the handover;
- (c) a statement of the number of days of handover in respect of which the claim is made;
- (d) a statement of why the employer considers that the handover was necessary;
- (e) a statement that the employer makes the maximum use of opportunities to acquire the necessary standard without the need for a handover.

(5C) When making a claim under regulation 7C an employer must supply the information specified in paragraph 1(a) to (c) of Schedule 2 to an adjudication officer together with—

- (a) a statement of why the employer considers that the replacement requires the clothing for the performance of his or her employment;
- (b) invoices for the clothing in respect of which the claim is made.”.

### **Transitional provision**

**6.** The amendments made by these Regulations apply only to periods of relevant service that begin on or after 27th March 2015.

3rd March 2015

*Julian Brazier*  
Parliamentary Under Secretary of State  
Ministry of Defence

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

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

These Regulations make amendments to the Reserve Forces (Call-out and Recall) (Financial Assistance) Regulations 2005. They alter the financial assistance available to members of the reserve forces and employers who suffer financial loss as a result of the call out of members of the reserve forces for permanent service in the armed forces.

Regulation 3(2) reduces the maximum daily rate of a reservist's award under regulation 3 of the 2005 Regulations.

Regulation 3(3) inserts new regulation 5A into the 2005 Regulations. Under regulation 5A, a reservist who is self-employed may claim for certain business expenses that he or she incurs in respect of the period during which he or she is called out for permanent service in the armed forces.

Regulation 4(1) amends regulation 6(4) of the 2005 Regulations to allow employers to claim recurring agency fees incurred in replacing a reservist.

Regulation 4(2) inserts new regulations 7A, 7B and 7C into the 2005 Regulations. Under regulation 7A, an employer may claim for the cost of training a person who replaces the reservist at work during his or her absence on permanent service in the armed forces. Regulation 7B allows an employer to claim an award in respect of the cost of employing a replacement during handovers between the reservist and the replacement before and after the reservist's absence on permanent service. Regulation 7C allows an employer to claim an award in respect of the cost of providing replacements with specialist clothing required for the performance of their employment.

Regulation 5 amends regulation 11 of the 2005 Regulations to specify the information and documentation that must be submitted with claims made under regulations 5A, 7A, 7B or 7C of those regulations.

Regulation 6 provides that the changes made by these Regulations apply only to periods of permanent service that begin on or after 27th March 2015.