

SCHEDULES

SCHEDULE 1

Regulation 8

Schedule to be inserted in the Armed Forces Pension Scheme 1975

“SCHEDULE 3

Transitional Provision for the Armed Forces Pension Scheme 1975

PART 1

Interpretation

Interpretation

1. In this Schedule—

“AFPS 1975” means the Armed Forces Pension Scheme 1975;

“AFPS 2015” means the scheme established by the AFP Regulations 2014(1);

“AFP Regulations 2014” means the Armed Forces Pension Regulations 2014;

“continuity of service” in relation to a transition member has the meaning given in paragraph 2;

“connected scheme” means another statutory pension scheme that is connected with the AFPS 1975 scheme within the meaning of section 4(6) of the 2013 Act;

“EDP Regulations 2014” means the Armed Forces Early Departure Payments Scheme Regulations 2014(2);

“full protection member” has the meaning given in Part 2;

“protection period” has the meaning given in paragraph 5;

“scheme employment” has the meaning given in regulation 13 of the AFP Regulations 2014;

“transition date” in relation to a transition member means 1st April 2015 or, if later, the day a person ceased to be a full protection member of the AFPS 1975;

“transition member” means a person—

(a) who is a member of AFPS 1975 by virtue of their pensionable service under the AFPS 1975 before the transition date; and

(b) who is also a member of the AFPS 2015 by virtue of their pensionable service under that scheme;

“the 2013 Act” means the Public Service Pensions Act 2013(3);

“transfer payment” means payment of a transfer value; and

“transfer value” has the meaning given in Part 8 of the AFP Regulations 2014.

(1) [S.I. 2014/2336](#).

(2) [S.I. 2014/2328](#).

(3) [2013 c. 25](#).

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Meaning of “continuity of service”

2.—(1) For the purposes of this Schedule, a transition member (T) has continuity of service between pensionable service in the AFPS 1975 and pensionable service in the AFPS 2015 (“continuity of service”) unless T has a gap in service exceeding 5 years which—

- (a) begins on or before T’s transition date; and
- (b) ends on the day on which T becomes an active member of the AFPS 2015.

(2) For the purpose of sub-paragraph (1), during the period starting with 1st April 2015, T is not on a gap in service while T is in service which is pensionable under an existing scheme, a public body pension scheme or a scheme under section 1 of the 2013 Act.

Commencement of active membership of the AFPS 2015 for a transition member

3.—(1) A person who is a transition member on entering pensionable service under the AFPS 2015 who does not have continuity of service becomes an active member of the AFPS 2015 on the day the person begins pensionable service in a scheme employment.

(2) A person who is a transition member on entering pensionable service under the AFPS 2015 who has continuity of service (T) becomes an active member of the AFPS 2015—

- (a) if T is in pensionable service in a scheme employment on T’s transition date, on that date; or
- (b) if T is not in pensionable service in a scheme employment on T’s transition date, on the date T enters pensionable service in a scheme employment after that date.

PART 2

Exception to section 18(1) of the 2013 Act: full protection members of the AFPS 1975

Full protection members of the AFPS 1975

4.—(1) A person (P) is a full protection member of the AFPS 1975, where—

- (a) P was a conditional full protection member of the AFPS 1975 on 31st March 2015 and on 31st March 2012; and
- (b) unless P dies, P would reach age 55 on or before 1st April 2022.

(2) For the purpose of this paragraph, a member is a conditional full protection member of the AFPS 1975 on a given date if on that date—

- (a) the member is in service in respect of which P is eligible to be a member of the AFPS 1975;
- (b) the member is a fixed protection member of the AFPS 1975; or
- (c) the member is in qualifying service under paragraph (c) of rule A.10(qualifying service) of the AFPS 1975.

(3) P ceases to be a full protection member of the AFPS 1975 when P ceases to be in pensionable service under the AFPS 1975.

Exception for full protection member during protection period

5.—(1) The protection period for a person (P) who is a full protection member of the AFPS 1975 is the period which—

- (a) begins on 1st April 2015; and

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- (b) ends when P ceases to be a full protection member of the AFPS 1975.
- (2) During the protection period—
 - (a) P is eligible to be in pensionable service under the AFPS 1975;
 - (b) section 18(1) of the 2013 Act does not apply in respect of that pensionable service; and
 - (c) benefits are to be provided under the AFPS 1975 to or in respect of P in relation to that pensionable service.

Full protection member not eligible to join the AFPS 2015

6.—(1) While a person (P) is a full protection member of the AFPS 1975, P is not eligible to be an active member of the AFPS 2015.

PART 3

Payment of ill-health benefits to transition members with continuity of service

Transition members not to receive early ill-health benefits except in accordance with this Part

7. A transition member with continuity of service is not to receive early benefits on ill-health retirement except as provided by this Part.

This Part not to apply to previous periods of service

8. If a transition member has an earlier period of service within the meaning of paragraph (2) of rule G.1 (application of this Part) of the AFPS 1975 that has not been aggregated with a later period of service under Part G of the AFPS 1975, this Part does not apply to the earlier service.

Active transition member with permanent serious ill-health who has not reached their immediate pension point

9.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who—

- (a) meets the criteria for an ill-health pension (active member with permanent serious ill-health) under regulation 51 of the AFP Regulations 2014; and
 - (b) has not reached their immediate pension point under the rules of the AFPS 1975(4).
- (2) If this paragraph applies—
- (a) early benefits on ill-health are not payable under the AFPS 1975; and
 - (b) ill-health benefits (active member with permanent serious ill-health) are payable under the AFPS 2015 in accordance with this paragraph.

(3) The ill-health benefits payable under paragraph (2)(b) comprise benefits payable in respect of service before T's transition date and benefits payable in respect of service from T's transition date.

(4) The benefits payable in respect of service before T's transition date are such amount as the Defence Council may direct with the approval of the Treasury.

(4) Under the rules of the AFPS 1975, a member can reach their immediate pension point even after ceasing to be an accruing member of the AFPS 1975.

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(5) The benefits payable in respect of service from T's transition date are calculated in accordance with the AFP Regulations 2014 but when calculating the rate of annual pension, the following is substituted for regulation 54(2)(b) of the AFP Regulations 2014—

- “(b) B is the sum of—
- (i) the member's pensionable service under the AFPS 2015; and
 - (ii) X multiplied by N.
- (c) In this paragraph, X is equal to the member's years of pensionable service in the AFPS 2015 divided by the total of the member's years of reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015.
- (d) In this paragraph, N is the greater of—
- (i) half of the further pensionable service which the member would have been able to count under the AFPS 2015 if the member had remained an accruing member from the date of the ill-health retirement until age 60; and
 - (ii) the lesser of—
 - (aa) 25 minus the total of the member's years of reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015; and
 - (bb) the further pensionable service which the member would have been able to count under the AFPS 2015 if the member had remained an accruing member from the date of the ill-health retirement until age 60.”.

Transition member who leaves service before the immediate pension point with permanent serious ill-health who reaches age 55

10.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who is receiving an ill-health pension (active members with permanent serious ill-health) in accordance with paragraph 9.

- (2) On the day the member reaches age 55—
- (a) of the benefits that were payable under paragraph 9(2)(b), the AFPS 1975 basic earned benefits cease to be payable under paragraph 9(2)(b) and instead become payable under the AFPS 1975; and
 - (b) of the benefits that were payable under paragraph 9(2)(b), the AFPS 1975 ill-health enhancement benefits continue to be payable under paragraph 9(2)(b).
- (3) For the purpose of this paragraph—
- (a) “the AFPS 1975 basic earned benefits” means an amount determined by the Defence Council with the approval of the Treasury; and
 - (b) “the AFPS 1975 ill-health enhancement benefits” means an amount determined by the Defence Council with the approval of the Treasury.

Active transition member who leaves service with permanent serious ill-health after reaching their immediate pension point

11.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who—

- (a) meets the criteria for an ill-health pension (active member with permanent serious ill-health) under regulation 51 of the AFP Regulations 2014; and
 - (b) has reached their immediate pension point under the rules of the AFPS 1975.
- (2) In respect of service before T's transition date—

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- (a) the AFPS 1975 basic earned benefits are payable under the AFPS 1975, and
 - (b) the AFPS 1975 ill-health enhancement benefits are payable under the AFPS 2015.
- (3) In respect of service from T's transition date, early benefits on permanent serious ill health are payable under regulation 54 of the AFP Regulations 2014 but when calculating the amount of annual pension, regulation 54(2)(b) is amended as specified in paragraph 9(5).
- (4) For the purpose of this paragraph—
- (a) “the AFPS 1975 basic earned benefits” means an amount determined by the Defence Council with the approval of the Treasury; and
 - (b) “the AFPS 1975 ill-health enhancement benefits” means an amount determined by the Defence Council with the approval of the Treasury.

Active transition member with significant impairment of capacity for gainful employment who has not reached their immediate pension point

- 12.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who—
- (a) meets the criteria for an ill-health pension (active members with significant impairment of capacity for gainful employment) under regulation 52 of the AFP Regulations 2014; and
 - (b) has not reached their immediate pension point under the AFPS 1975.
- (2) If this paragraph applies—
- (a) early benefits on ill health are not payable under the AFPS 1975; and
 - (b) ill-health benefits (active members with significant impairment of capacity for gainful employment) are payable under the AFPS 2015 in accordance with this paragraph.
- (3) The ill-health benefits payable under paragraph (2)(b) comprise benefits payable in respect of service before T's transition date and benefits payable in respect of service from T's transition date.
- (4) The benefits payable in respect of service before T's transition date are such amount that the Defence Council may determine with the approval of the Treasury.
- (5) The benefits payable in respect of service from T's transition date are calculated in accordance with the AFP Regulations 2014 but when calculating the rate of annual pension the following is substituted for regulation 55(2)(b)—
- “(b) B is the sum of—
 - (i) the member's years of pensionable service under the AFPS 2015 as calculated according to regulation 55(2)(a)(i) and (ii); and
 - (ii) X multiplied by N.
 - (c) In this paragraph, X is equal to the member's years of pensionable service in the AFPS 2015 divided by the total of the member's years of reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015.
 - (d) In this paragraph, N is one third of the further pensionable service which the member would have been able to count under the AFPS 2015 if the member had remained an accruing member from the date of the ill-health retirement until age 60.”.

Transition member who leaves service before their immediate pension point with significant impairment of capacity for gainful employment who reaches age 55

- 13.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who is receiving an ill-health pension (active members with significant impairment of capacity for gainful employment) in accordance with paragraph 12.

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- (2) On the day the member reaches age 55—
 - (a) of the benefits that were payable under paragraph 12(2)(b), the AFPS 1975 basic earned benefits cease to be payable under paragraph 12(2)(b) and instead become payable under the AFPS 1975; and
 - (b) of the benefits that were payable under paragraph 12(2)(b), the AFPS 1975 significant incapacity ill-health enhancement benefits continue to be payable under paragraph 12(2)(b).
- (3) For the purpose of this paragraph—
 - (a) the “AFPS 1975 basic earned benefits” means an amount determined by the Defence Council with the approval of the Treasury; and
 - (b) the “AFPS 1975 significant incapacity ill-health enhancement benefits” means an amount determined by the Defence Council with the approval of the Treasury.

Active transition member who leaves service with significant incapacity for gainful employment after reaching their immediate pension point

- 14.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who—
- (a) meets the criteria for an ill-health pension (active members with significant impairment of capacity for gainful employment) under regulation 52 of the AFP Regulations 2014; and
 - (b) leaves service after reaching their immediate pension point under the rules of the AFPS 1975.
- (2) In respect of service before T’s transition date—
- (a) the AFPS 1975 basic earned benefits are payable under the AFPS 1975, and
 - (b) the AFPS 1975 ill-health enhancement benefits are payable under the AFPS 2015.
- (3) In respect of service from T’s transition date, early benefits on significant impairment of capacity for gainful employment are payable under regulation 55 of the AFP Regulations 2014 but when calculating the rate of annual pension, regulation 55(2)(b) is amended as specified in paragraph 12(5).
- (4) For the purpose of this paragraph—
- (a) “the AFPS 1975 basic earned benefits” means an amount determined by the Defence Council with the approval of the Treasury; and
 - (b) “the AFPS 1975 ill-health enhancement benefits” means an amount determined by the Defence Council with the approval of the Treasury.

Active transition member who leaves service with incapacity for service before reaching their immediate pension point

- 15.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who—
- (a) meets the criteria for lump sum on incapacity for service (lump sum awards: incapacity for armed forces service) under regulation 19 of the EDP Regulations 2014; and
 - (b) has not reached their immediate pension point under the rules of the AFPS 1975.
- (2) If this paragraph applies—
- (a) early benefits on ill-health are not payable under the AFPS 1975; and

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- (b) ill-health benefits are payable under the AFPS 2015 and lump sum awards on incapacity for armed forces service are payable under the EDP 2015 in accordance with this paragraph.
- (3) The ill-health benefits payable under paragraph (2)(b) comprise benefits payable in respect of service before T's transition date and benefits payable in respect of service from T's transition date.
- (4) The benefits payable in respect of service before T's transition date are such amount that the Defence Council may determine with the approval of the Treasury.
- (5) In respect of service from the member's transition date, the lump sum award on incapacity for armed service is payable under regulation 19 of the EDP Regulations 2014.
- (6) Where this paragraph applies, the following is substituted for regulation 20 (amount of lump sum on incapacity for armed forces service) of the EDP Regulations 2014—

“20.—(1) The amount of lump sum a person receives under regulation 19 (lump sum awards: incapacity for armed forces service) is to be determined by multiplying one eighth of the person's final pensionable earnings by their service from their transition date expressed in years and fractions of a year except where—

- (a) the amount calculated is less than X, X being one half of the person's final pensionable earnings multiplied by their service from their transition date divided by their total service expressed in years and fractions of years. In these circumstances the person is to receive an amount equivalent to X; or
- (b) the amount calculated is more than Y, Y being twice the person's final pensionable earnings multiplied by their service from their transition date divided by their total service expressed in years and fractions of years. In these circumstances the person is to receive an amount equivalent to Y.

(2) The lump sum is payable before the expiry of the period of 3 months beginning with the day on which the person ceases to be a member of the armed forces.

In this regulation—

- (a) “total service” in relation to a member means the total of their service from their transition date plus their reckonable service as a member of the AFPS 1975, and
- (b) “transition date” has the same meaning as is given in paragraph 2 (interpretation) of Schedule 3 to the AFPS 1975(5).”.

(7) If the person is entitled to early departure payments under regulation 9 (entitlement to early departure payments) of the EDP Regulations 2014, the person is not entitled to a lump sum award under sub-paragraph (5).

Transition member who leaves service before their immediate pension point with incapacity for service who reaches age 55

16.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who is receiving an ill-health pension (active members with incapacity for service) in accordance with paragraph 15.

(2) On the day the member reaches age 55—

- (a) of the benefits that were payable under paragraph 15(2)(b), the AFPS 1975 basic earned benefits cease to be payable under paragraph 15(2)(b) and instead become payable under the AFPS 1975; and

(5) Schedule 3 is inserted by the Armed Forces (Transitional Provisions) Pensions Regulations 2015.

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- (b) of the benefits that were payable under paragraph 15(2)(b), the AFPS 1975 ill-health enhancement benefits continue to be payable under paragraph 15(2)(b).
- (3) For the purpose of this paragraph—
 - (a) the “AFPS 1975 basic earned benefits” means an amount determined by the Defence Council with the approval of the Treasury; and
 - (b) the “AFPS 1975 ill-health enhancement benefits” means an amount determined by the Defence Council with the approval of the Treasury.

Active transition member who leaves service with incapacity for service after reaching their immediate pension point

17.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who—

- (a) meets the criteria for a lump sum on incapacity for service (lump sum awards: incapacity for armed forces service) under regulation 19 of the EDP Regulations 2014; and
- (b) has reached their immediate pension point under the rules of the AFPS 1975.
- (2) In respect of service before T’s transition date—
 - (a) the AFPS 1975 basic earned benefits are payable under the AFPS 1975, and
 - (b) the AFPS 1975 ill-health enhancement benefits are payable under the AFPS 2015.
- (3) In respect of service from T’s transition date, benefits are payable under Part 4 of the EDP Regulations 2014.
- (4) Where this paragraph applies, the following is substituted for regulation 20 (amount of lump sum on incapacity for armed forces service) of the EDP Regulations 2014—

“20.—(1) The amount of lump sum a person receives under regulation 19 (lump sum awards: incapacity for armed forces service) is to be determined by multiplying one eighth of the person’s final pensionable earnings by their service from their transition date expressed in years and fractions of a year except where—

- (a) the amount calculated is less than X, X being one half of the person’s final pensionable earnings multiplied by their service from their transition date divided by their total service expressed in years and fractions of years. In these circumstances the person is to receive an amount equivalent to X; or
- (b) the amount calculated is more than Y, Y being twice the person’s final pensionable earnings multiplied by their service from their transition date divided by their total service expressed in years and fractions of years. In these circumstances the person is to receive an amount equivalent to Y.
- (2) The lump sum is payable before the expiry of the period of 3 months beginning with the day on which the person ceases to be a member of the armed forces.
- (3) In this regulation—
 - (a) “total service” in relation to a member means the total of their service from their transition date plus their reckonable service as a member of the AFPS 1975; and
 - (b) “transition date” has the same meaning as given in paragraph 2 (interpretation) of Schedule 3 to the AFPS 1975(6).”.

(6) Schedule 3 is inserted by the Armed Forces (Transitional Provisions) Pensions Regulations 2015.

(5) If the person is entitled to early departure payments under regulation 9 (entitlement to early departure payments) of the EDP Regulations 2014, the person is not entitled to a lump sum award under sub-paragraph (3).

(6) For the purpose of this paragraph—

- (a) “the AFPS 1975 basic earned benefits” means an amount determined by the Defence Council with the approval of the Treasury; and
- (b) “the AFPS 1975 ill-health enhancement benefits” means an amount determined by the Defence Council with the approval of the Treasury.

Deferred transition member with permanent serious ill-health who has not reached age 55

18.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who—

- (a) meets the criteria for an ill-health pension (deferred member with permanent serious ill-health) under regulation 56 of the AFP Regulations 2014; and
- (b) has not reached age 55.

(2) Where T is a deferred member of the AFPS 1975—

- (a) early payment of preserved pension in case of ill-health is not payable under the AFPS 1975; and
- (b) ill-health benefits (deferred member with permanent serious ill-health) are payable under the AFPS 2015 in accordance with this paragraph.

(3) The ill-health benefits payable under paragraph (2)(b) comprise benefits payable in respect of service before T’s transition date and benefits payable in respect of service from T’s transition date.

(4) The benefits payable in respect of service before T’s transition date are calculated in accordance with rule D.18 of the AFPS 1975.

(5) The benefits payable in respect of service from T’s transition date are calculated in accordance with regulation 56 of the AFP Regulations 2014.

(6) Where the member is a pensioner member of the AFPS 1975—

- (a) a pension continues to be payable under the AFPS 1975 in respect of service before T’s transition date; and
- (b) a pension is payable under regulation 56 of the AFP Regulations 2014 in respect of service from T’s transition date.

Deferred transition member with permanent serious ill-health who reaches age 55

19.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who is receiving ill-health benefits (deferred members with permanent serious ill-health) in accordance with paragraph 18.

(2) On the day the member reaches age 55, the AFPS 1975 benefits cease to be payable under paragraph 18(2)(b) and instead become payable under the AFPS 1975.

Deferred transition member who meets criteria for permanent serious ill-health on or after reaching age 55

20.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who is a deferred member of the AFPS 2015, who is age 55 or over, and who meets the criteria

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for an ill-health pension (deferred member with permanent serious ill-health) in regulation 56 of the AFP Regulations 2014.

- (2) Where the member is a deferred member of the AFPS 1975—
 - (a) a pension is payable under the rules of the AFPS 1975 in respect of service before T's transition date; and
 - (b) a pension is payable under regulation 56 of the AFP Regulations 2014 in respect of service from T's transition date.
- (3) Where the member is a pensioner member of the AFPS 1975—
 - (a) a pension continues to be payable under the AFPS 1975 in respect of service before T's transition date; and
 - (b) a pension is payable under regulation 56 of the AFP Regulations 2014 in respect of service from T's transition date.

PART 4

Payment of death benefits in respect of transition members with continuity of service

Death benefits not to be paid in respect of transition members except in accordance with this Part

21. Surviving adults pensions, eligible child's pensions and lump sum death benefits are not to be paid in respect of transition members with continuity of service except as provided by this Part.

This Part not to apply to previous periods of service

22. If a transition member has a period of earlier service within the meaning of rule G.1 (application of this Part) of the AFPS 1975 that has not been aggregated with a period of later service under Part G of the AFPS 1975, this Part does not apply to the earlier service.

Surviving adult's pension when transition member dies in service before reaching their immediate pension point

23.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as an active member of the AFPS 2015 before reaching their immediate pension point and for whom the conditions of regulation 65 (surviving spouses' and civil partners' pensions) or regulation 67 (other adult dependants' pensions) of the AFP Regulations 2014 apply.

- (2) If this paragraph applies—
 - (a) a pension for a surviving spouse or surviving civil partner ("surviving adult dependant") is payable under the AFPS 1975 in respect of service before the transition date; and
 - (b) a pension for a surviving adult dependant is payable under the AFPS 2015 in respect of service from the transition date.
- (3) The rate of annual pension payable in respect of service before T's transition date is as the Defence Council may determine with the approval of the Treasury.

(4) The pension payable in respect of service from T's transition date is calculated in accordance with the AFP Regulations 2014 but when calculating the rate of annual pension in accordance with regulation 70 (annual rate of adult dependants' pensions payable on death of active member), the references in regulation 51 to regulation 54 are to be read as references to regulation 54 amended as specified in paragraph 9(5).

Surviving adult’s pension when transition member dies in service on or after reaching their immediate pension point

24.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as an active member of the AFPS 2015 on or after reaching their immediate pension point and for whom the conditions of regulation 65 (surviving spouses’ and civil partners’ pensions) or regulation 67 (other adult dependants’ pensions) of the AFP Regulations 2014 apply.

(2) If this paragraph applies—

- (a) a pension for a surviving spouse or surviving civil partner (“surviving adult dependant”) is payable under the AFPS 1975 in respect of T’s service before their transition date; and
- (b) a pension for a surviving adult dependant is payable under the AFPS 2015 in respect of service from T’s transition date.

(3) The rate of annual pension payable in respect of service before T’s transition date is as the Defence Council may determine with the approval of the Treasury.

(4) The pension payable in respect of service from T’s transition date is calculated in accordance with the AFP Regulations 2014, but when calculating the rate of annual pension in accordance with regulation 70 (annual rate of adult dependants’ pensions payable on death of active member), the references in regulation 51 to regulation 54 are to be read as references to regulation 54 amended as specified in paragraph 9(5).

Surviving adult dependant’s pension when a transition member dies as a pensioner member before reaching age 55

25.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as a pensioner member of the AFPS 2015 before reaching age 55 and for whom the conditions of regulation 65 (surviving spouses’ and civil partners’ pensions) or regulation 67 (other adult dependants’ pensions) of the AFP Regulations 2014 apply.

(2) A pension for a surviving adult dependant is payable under the AFPS 1975 in respect of service before the transition date.

(3) A pension for a surviving adult dependant is payable under the AFPS 2015 in respect of service from T’s transition date.

(4) The rate of annual pension payable in respect of service before T’s transition date is as the Defence Council may determine with the approval of the Treasury.

(5) The pension payable in respect of service from T’s transition date is payable under regulation 68 (annual rate of adult dependants’ pensions payable on death of pensioner member) of the AFP Regulations 2014, but—

- (a) where the pensioner was in receipt of early benefits on permanent serious ill-health, when calculating the rate of annual pension in accordance with regulation 68, the references in regulation 51 to regulation 54 are to be read as references to regulation 54 amended as specified in paragraph 9(5); and
- (b) where the pensioner was in receipt of early benefits on significant incapacity for gainful employment, when calculating the rate of annual pension in accordance with regulation 68, the references in regulation 52 to regulation 55 are to be read as references to regulation 55 amended as specified in paragraph 12(5).

Surviving adult dependant’s pension when a transition member dies as a deferred member before reaching age 55

26.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as a deferred member of the AFPS 2015 before reaching age 55 and for whom the

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conditions of regulation 65 (surviving spouses' and civil partners' pensions) or regulation 67 (other adult dependants' pensions) of the AFP Regulations 2014 apply.

(2) If this paragraph applies—

- (a) a pension for a surviving adult dependant is payable under the AFPS 1975 in respect of service before the transition date; and
- (b) a pension for a surviving adult dependant is payable under the AFPS 2015 in respect of service from the transition date.

(3) The rate of annual pension payable in respect of service before T's transition date is as the Defence Council may determine with the approval of the Treasury.

(4) The pension payable in respect of service from T's transition date is payable under regulation 69 (annual rate of adult dependants' pensions payable on death of a deferred member) of the AFP Regulations 2014.

Surviving adult dependant's pension when a transition member dies as a deferred member or a pensioner member on or after reaching age 55

27.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as a deferred member or a pensioner member of the AFPS 2015 on or after reaching age 55 and for whom the conditions of regulation 65 (surviving spouses' and civil partners' pensions) or regulation 67 (other adult dependants' pensions) of the AFP Regulations 2014 apply.

(2) In the case of a deferred member of the AFPS 2015—

- (a) a pension for a surviving adult dependant is payable under the AFPS 1975 in respect of service before T's transition date and the rate of annual pension is as the Defence Council may determine with the approval of the Treasury; and
- (b) a pension for a surviving adult dependant is payable under regulation 69 (annual rate of adult dependants' pensions payable on death of a deferred member) of the AFP Regulations 2014 in respect of service from T's transition date,

(3) In the case of a pensioner member of the AFPS 2015—

- (a) a pension for a surviving adult dependant is payable under the AFPS 1975 in respect of service before T's transition date and the rate of annual pension is as the Defence Council may determine with the approval of the Treasury; and
- (b) a pension payable in respect of service from T's transition date is calculated in accordance with the AFP Regulations 2014, but—
 - (i) where the pensioner was in receipt of early benefits on permanent serious ill-health, when calculating the rate of annual pension in accordance with regulation 68 (annual rate of adult dependants' pensions payable on death of pensioner member), the calculation of the member's retirement earned pension is to take account of the amendment in paragraph 9(5) to regulation 54.
 - (ii) where the pensioner was in receipt of early benefits on significant incapacity for gainful employment, when calculating the rate of annual pension in accordance with regulation 68, the calculation of the member's retirement earned pension is to take account of the amendment in paragraph 12(5) to regulation 55.

Eligible child's pension when a transition member dies in service before reaching their immediate pension point

28.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as an active member of the AFPS 2015 before reaching their immediate pension point

under the rules of the AFPS 1975 and for whom the conditions of regulation 72 (surviving children's pensions) of the AFP Regulations 2014 apply.

(2) If this paragraph applies—

- (a) a pension for an eligible child is payable under the AFPS 1975 in respect of service before the transition date; and
- (b) a pension for an eligible child is payable under the AFPS 2015 in respect of service from the transition date.

(3) The rate of annual pension payable in respect of service before T's transition date is as the Defence Council may determine with the approval of the Treasury.

(4) The pension payable in respect of service from T's transition date is calculated in accordance with the AFP Regulations 2014 but when calculating the rate of annual pension in accordance with regulation 74 (annual rate of children's pensions), the references in regulation 51 to regulation 54 are to be read as references to regulation 54 amended as specified in paragraph 9(5).

Eligible child's pension when transition member dies in service on or after reaching their immediate pension point

29.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as an active member of the AFPS 2015 on or after reaching their immediate pension point and for whom the conditions of regulation 72 (surviving children's pensions) of the AFP Regulations 2014 apply.

(2) If this paragraph applies—

- (a) a pension for an eligible child is payable under the AFPS 1975 in respect of T's service before their transition date; and
- (b) a pension for an eligible child is payable under the AFPS 2015 in respect of T's service from their transition date.

(3) The rate of annual pension payable in respect of service before T's transition date is as the Defence Council may determine with the approval of the Treasury.

(4) The pension payable in respect of service from T's transition date is calculated in accordance with the AFP Regulations 2014, but when calculating the rate of annual pension in accordance with regulation 74 (annual rate of children's pensions), the references in regulation 51 to regulation 54 are to be read as references to regulation 54 amended as specified in paragraph 9(5).

Eligible child's pension when a transition member dies as a pensioner member before reaching age 55

30.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as pensioner member of the AFPS 2015 before reaching age 55 and for whom the conditions of regulation 72 (surviving children's pensions) of the AFP Regulations 2014 apply.

(2) A pension for an eligible child is payable under rule E.14 (amount of child's longer-term pension) of the AFPS 1975 in respect of service before T's transition date.

(3) A pension for an eligible child is payable under the AFPS 2015.

(4) The rate of annual pension payable in respect of service before T's transition date is as the Defence Council may determine with the approval of the Treasury.

(5) The pension payable in respect of service from T's transition date is payable under regulation 72 of the of the AFP Regulations 2014, but—

- (a) where the pensioner was in receipt of early benefits on permanent serious ill-health, when calculating the rate of annual pension in accordance with regulation 74 (annual rate of

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children's pensions), the references in regulation 51 to regulation 54 are to be read as references to regulation 54 amended as specified in paragraph 9(5); and

- (b) where the pensioner was in receipt of early benefits on significant incapacity for gainful employment, when calculating the rate of annual pension in accordance with regulation 74, the references in regulation 52 to regulation 55 are to be read as references to regulation 55 amended as specified in paragraph 12(5).

Eligible child's pension when a transition member dies as a deferred member before reaching age 55

31.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as a deferred member before reaching age 55 and for whom the conditions of regulation 72 (surviving children's pensions) of the AFP Regulations 2014 apply.

(2) If this paragraph applies—

- (a) a pension for an eligible child is payable under the AFPS 1975 in respect of service before the transition date; and
- (b) a pension for an eligible child is payable under the AFPS 2015 in respect of service from the transition date.

(3) The rate of annual pension payable in respect of service before T's transition date is as the Defence Council may determine with the approval of the Treasury.

(4) The pension payable in respect of service from T's transition date is calculated in accordance with the AFP Regulations 2014, but—

- (a) where the pensioner was in receipt of early benefits on permanent serious ill-health, when calculating the rate of annual pension in accordance with regulation 74 (annual rate of children's pensions), the calculation of the member's retirement earned pension is to take account of the amendment in paragraph 9(5) to regulation 54; and
- (b) where the pensioner was in receipt of early benefits on significant incapacity for gainful employment, when calculating the rate of annual pension in accordance with regulation 74, the calculation of the member's retirement earned pension is to take account of the amendment in paragraph 12(5) to regulation 55.

Eligible child's pension when a transition member dies as a deferred member or pensioner member on or after reaching age 55

32.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who dies as a deferred member or a pensioner member of the AFPS 2015 on or after reaching age 55 and for whom the conditions of regulation 72 (surviving children's pensions) of the AFP Regulations 2014 apply.

(2) In the case of a deferred member of the AFPS 2015—

- (a) a pension for an eligible child is payable under rule E.14 (amount of child's longer-term pension) of the AFPS 1975 in respect of the service before T's transition date; and
- (b) a pension for an eligible child is payable under regulation 74 (annual rate of children's pensions) of the AFP Regulations 2014 in respect of service from T's transition date.

(3) In the case of a pensioner member of the AFPS 2015—

- (a) the rate of annual pension payable in respect of service before T's transition date is as the Defence Council may determine with the approval of the Treasury; and
- (b) the pension payable in respect of service from T's transition date is calculated in accordance with the AFP Regulations 2014, but—

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- (i) where the pensioner was in receipt of early benefits on permanent serious ill-health, when calculating the rate of annual pension in accordance with regulation 74 (annual rate of children's pensions), the calculation of the member's retirement earned pension is to take account of the amendment in paragraph 9(5) to regulation 54; and
- (ii) where the pensioner was in receipt of early benefits on significant incapacity for gainful employment, when calculating the rate of annual pension in accordance with regulation 74, the calculation of the member's retirement earned pension is to take account of the amendment in paragraph 12(5) to regulation 55.

Death of a transition member in service: lump sum benefit

33.—(1) This paragraph applies in relation to a transition member with continuity of service who dies as an active member of the AFPS 2015.

- (2) On the death of the member—
 - (a) a lump sum is payable under regulation 79 (lump sum amount payable on death of active member) of the AFP Regulations 2014; but
 - (b) a lump sum is not payable under the AFPS 1975.

Death of a deferred transition member: lump sum benefit

34.—(1) This paragraph applies in relation to a transition member with continuity of service who dies as a deferred member of the AFPS 2015.

- (2) On death before reaching age 55—
 - (a) if regulation 80 (lump sum amount payable on death of deferred member) of the AFP Regulations 2014 applies to the member, a lump sum death benefit is payable under that regulation; and
 - (b) if the member is a deferred member of the AFPS 1975 and the conditions for payment of a lump sum benefit under rule E.20 (lump sum benefit: active or fixed protection, deferred and pensioner members) and rule E.22 (amount of lump sum: deferred members) of the AFPS 1975 are met, a lump sum death benefit equal to the sum that would have been payable under rule E.22 of the AFPS 1975 is payable under the AFPS 2015; and
 - (c) if the member is a pensioner member of the AFPS 1975 and the conditions for payment of a lump sum death benefit under rule E.20 and rule E.23 (amount of lump sum: pensioner members) are met, a lump sum death benefit is not payable under the AFPS 1975, but a lump sum death benefit is payable under the AFPS 2015 in accordance with this paragraph. The lump sum is calculated in accordance with the following formula and is subject to the reductions at rule E.25 (reduction of lump sum for outstanding repayments) of the AFPS 1975—

Step 1: Take three times the amount of the member's representative pay on the day they leave service (disregarding any reckonable service in the AFPS 1975 in excess of the number of whole years);

Step 2: From the resulting value in step 1 subtract any lump sum the member has received under rule D.4 (amount of immediate pension: officers of or above OF-7 rank), D.5 (amount of immediate pension: other officers) or D.6 (amount of immediate pension: other ranks) of the AFPS 1975;

Step 3: Multiply the resulting value in step 2 by the member's reckonable service in the AFPS 1975; and

Step 4: Divide the resulting value in step 3 by the total of the member's reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015.

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- (3) On death on or after reaching age 55—
- (a) if regulation 80 of the AFP Regulations 2014 applies to the member, a lump sum death benefit is payable under that regulation;
 - (b) if the member is a deferred member of the AFPS 1975 and the conditions for payment of a lump sum death benefit under rule E.20 and rule E.22 of the AFPS 1975 are met, lump sum death benefit is payable under rule E.22 of the AFPS 1975; and
 - (c) if the member is a pensioner member of the AFPS 1975 and the conditions for payment of a lump sum death benefit under rule E.20 and rule E.23 of the AFPS 1975 are met, a lump sum death benefit is payable under the AFPS 1975. The amount of the lump sum is to be calculated in accordance with the following formula, and is subject to the reductions at rule E.25 (reduction of lump sum for outstanding repayments) of the AFPS 1975—
 - Step 1: Take three times the amount of the member’s representative pay on the day they leave service (disregarding any reckonable service in the AFPS 1975 in excess of the number of whole years);
 - Step 2: From the resulting value in step 1 subtract any lump sum the member has received under rule D.4, D.5 or D.6 of the AFPS 1975;
 - Step 3: Multiply the resulting value in step 2 by the member’s reckonable service in the AFPS 1975; and
 - Step 4: Divide the resulting value in step 3 by the total of the member’s reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015.

Death of a pensioner member before age 55: lump sum benefit

35. This paragraph applies in relation to a transition member with continuity of service who dies as a pensioner member of the AFPS 2015 before reaching age 55—

- (a) if regulation 81 (lump sum amount payable on death of pensioner member) of the AFP Regulations 2014 applies to the member, a lump sum death benefit is payable under that regulation; and
- (b) if the member is a pensioner member of the AFPS 1975 and the conditions for payment of a lump sum death benefit under rule E.20 (lump sum benefit: active or fixed protection, deferred and pensioner members) and rule E.23 (amount of lump sum: pensioner members) of the AFPS 1975 are met, a lump sum death benefit is not payable under the AFPS 1975, but a lump sum death benefit is payable under the AFPS 2015 in accordance with this paragraph. The lump sum is calculated in accordance with the following formula and is subject to the reductions at rule E.25 (reduction of lump sum for outstanding repayments) of the AFPS 1975—
 - Step 1: Take three times the amount of the member’s representative pay on the day they leave service (disregarding any reckonable service in the AFPS 1975 in excess of the number of whole years);
 - Step 2: From the resulting value in step 1 subtract any lump sum the member has received under rule D.4, D.5 or D.6 of the AFPS 1975;
 - Step 3: Multiply the resulting value in step 2 by the member’s reckonable service in the AFPS 1975; and
 - Step 4: Divide the resulting value in step 3 by the total of the member’s reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015.

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Death of a pensioner member on or after reaching age 55: lump sum benefit

36. This paragraph applies in relation to a transition member with continuity of service who dies as a pensioner member of the AFPS 2015 on or after reaching age 55—

- (a) if regulation 81 (lump sum amount payable on death of pensioner member) of the AFP Regulations 2014 applies to the member, a lump sum death benefit is payable under that regulation;
- (b) if the member is a deferred member of the AFPS 1975 and the conditions for payment of a lump sum benefit under rule E.20 (lump sum benefit: active or fixed protection, deferred and pensioner members) and rule E.22 (amount of lump sum: deferred members) of the AFPS 1975 are met, a lump sum death benefit is payable under rule E.22 of the AFPS 1975; and
- (c) if the member is a pensioner member of the AFPS 1975 and the conditions for payment of a lump sum death benefit under rule E.20 and rule E.23 (amount of lump sum: pensioner members) of the AFPS 1975 are met, a lump sum death benefit is payable under the AFPS 1975. The amount of the lump sum is to be calculated in accordance with the following formula, and is subject to the reductions at rule E.25 (reduction of lump sum for outstanding repayments) of the AFPS 1975—

Step 1: Take three times the amount of the member's representative pay on the day they leave service (disregarding any reckonable service in the AFPS 1975 in excess of the number of whole years);

Step 2: From the resulting value in step 1 subtract any lump sum the member has received under rule D.4, D.5 or D.6 of the AFPS 1975;

Step 3: Multiply the resulting value in step 2 by the member's reckonable service in the AFPS 1975; and

Step 4: Divide the resulting value in step 3 by the total of the member's reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015.

PART 5

Transitional provisions relating to the AFPS 1975

No benefits for service on or after member's transition date

37. No benefits under the AFPS 1975 are to be provided to or in respect of a transition member in relation to that member's service on or after their transition date.

Pensionable service under the AFPS 1975 for a transition member with continuity of service

38.—(1) This paragraph applies in relation to a transition member with continuity of service (T) who is in pensionable service under the AFPS 2015.

(2) In determining whether T qualifies under the AFPS 1975 for retirement benefits (other than early benefits on ill-health), T's pensionable service under the AFPS 1975 terminates when T's pensionable service under the AFPS 2015 terminates.

Professional supplements for a transition member with continuity of service

39.—(1) For transition members with continuity of service—

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- (a) in rule D.15 (professional supplement) of the AFPS 1975, in paragraph (6)(a) after “pensionable service” is inserted “as a member of the AFPS 2015.”; and
- (b) for rule D.15(6)(b) of the AFPS 1975 is substituted—
 - “(b) the number of reckonable days service the member had before the member’s transition date.”.

Amount of immediate pension: officers of or above OF-7 rank (except medical or dental officers)

40.—(1) For transition members with continuity of service, in rule D.4 (amount of immediate pension: officers of or above OF-7 rank) of the AFPS 1975, for paragraph (3) is substituted the following—

“(3) For the purposes of paragraph (2)(a) the relevant percentage is that specified in the pension code in force on the last day of the member’s pensionable service as a member of the AFPS 2015, for a person of the member’s pension rank, and with X number of whole years’ reckonable service, X being the number of whole years’ service that the member had on the day before they joined the AFPS 2015.”.

(2) If a member’s final pensionable earnings on leaving service as a member of the AFPS 2015 are lower than their final pensionable earnings on their transition date, their final pensionable earnings are to be determined as if paragraph (1) in rule A.7 (final pensionable earnings) of the AFPS 1975 were replaced by the following—

“(1) References to a member’s final pensionable earnings are to the greatest amount that is the member’s total pensionable earnings for 365 consecutive days falling within the period beginning three years before their transition date and ending on their transition date.”.

Amount of immediate pension: other officers (including medical and dental officers of any rank)

41.—(1) For transition members with continuity of service, in rule D.5 (amount of immediate pension: other officers) of the AFPS 1975, for paragraph (2) is substituted the following—

“(2) Subject to the following provisions of this rule and rule D.10 (increase at age 60 or 65), the annual amount of the pension is X plus, if rule D.8 (addition for reckonable service in excess of whole years) applies, an additional amount calculated in accordance with that rule.

(2A) In this rule, for a person to whom paragraph (3)(a), (b) or (c) applies who leaves service after reaching their immediate pension point and who has less than 16 years reckonable service in the AFPS 1975, X is calculated according to the following formula—

Step 1: Take the amount specified in the relevant table of the pension code specifying rates of service retired pay paid on compulsory retirement for a person of the member’s rank, in force on the day the member leaves service for a person of the member’s pension rank who has the number of whole years’ reckonable service that the member has in the AFPS 1975;

Step 2: Multiply the above by the member’s representative rate of pay⁽⁷⁾ on the day the member leaves service; and

Step 3: Divide the above by the representative rate of pay of a person of the member’s pension rank who has exactly 16 whole years reckonable service in the AFPS 1975.

(7) “Representative rate of pay” is defined in rule A.1 of the AFPS 1975 rules as having the meaning in rule A.5. Rule A.5 provides that references to a member’s representative rate of pay are to the representative rate of pay set out in the pension code in force on the member’s last day of pensionable service, for a person of the member’s pension rank with the amount of reckonable service that the member has (which means reckonable service in the AFPS 1975).

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(2B) In this rule, for a person to whom sub-paragraph (3)(a), (b) or (c) applies who leaves after reaching their immediate pension point with 16 or more years reckonable service in the AFPS 1975, X is calculated according to the following formula—

Step 1: Take the amount specified in the relevant table of the pension code specifying rates of service retired pay paid on compulsory retirement for a person of the member's rank, in force on the day the member leaves service for a person of the member's pension rank who has the number of whole years' reckonable service in the AFPS 1975;

Step 2: Multiply the resulting value in step 1 by the member's representative rate of pay on the day the member leaves service; and

Step 3: Divide the resulting value in step 2 by the representative rate of pay of a person of the member's pension rank who has exactly 16 whole years reckonable service in the AFPS 1975.

(2C) In this rule, for a person who leaves service after reaching their immediate pension point but with less than 16 years reckonable service in the AFPS 1975, and where none of sub-paragraphs (3)(a), (b) or (c) applies, X is calculated according to the following formula—

Step 1: Take the amount specified for a person of the member's pension rank with the number of whole years' reckonable service in the AFPS 1975 that the member has, in the relevant table of the pension code specifying rates of service retired pay paid on compulsory retirement for a person of the member's rank, in force on the day the member leaves service;

Step 2: Multiply the resulting value in step 1 by the member's representative rate of pay on the day the member leaves service;

Step 3: Divide the resulting value in step 2 by the representative rate of pay of a person of the member's pension rank who has exactly 16 whole years reckonable service in the AFPS 1975; and

Step 4: Multiply the resulting value in step 3 by the fraction resulting from dividing A by B.

In this step—

“A” is the amount specified in the table of pension code specifying rates of service retired pay paid on premature voluntary retirement for a person of the member's rank with the total number of whole years' reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015 that the member has on the day they leave service; and

“B” is the amount specified in the table of pension code specifying rates of service retired pay paid on compulsory retirement for a person of the member's rank with the total number of whole years' reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015 that the member has on the day they leave service.

(2D) In this rule, for a person who leaves after reaching their immediate pension point with 16 or more years reckonable service in the AFPS 1975, but where none of sub-paragraph (3)(a), (b) or (c) applies, X is calculated according to the following formula—

Step 1: Take the amount specified for a person of the member's pension rank with the number of whole years' reckonable service that the member has in AFPS 1975 in the relevant table of the pension code specifying rates of service retired pay paid on compulsory retirement for a person of the member's rank, in force on the day the member leaves service;

Step 2: Multiply the resulting value in step 1 by the member's representative rate of pay on the day the member leaves service;

Step 3: Divide the resulting value in step 2 by the representative rate of pay of a person of the member's pension rank who has the same number of years reckonable service in the AFPS 1975 as the member; and

Step 4: Multiply the resulting value in step 3 by the fraction resulting from dividing A by B.

In this step—

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“A” is the amount specified in the table of pension code specifying rates of service retired pay paid on premature voluntary retirement for a person of the member’s rank with the total number of whole years’ reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015 that the member has on the day they leave service; and

“B” is the amount specified in the table of pension code specifying rates of service retired pay paid on compulsory retirement for a person of the member’s rank with the total number of whole years’ reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015 that the member has on the day they leave service.”.

Amount of immediate pension: other ranks

42.—(1) For transition members with continuity of service—

(a) in rule D.6 (amount of immediate pension: other ranks) of the AFPS 1975, for paragraph (2) is substituted the following—

“(2) The annual amount of pension is X plus, if rule D.8 (addition for reckonable service in excess of whole years) applies, an additional amount calculated in accordance with that rule.

(2A) In this rule, for a person who leaves service after reaching their immediate pension point and where the person is not discharged as referred to in paragraph (2B), X is the amount specified for a person of the member’s pension rank with the number of whole years’ reckonable service that the member has in the AFPS 1975, in the relevant table of the pension code in force on the day the member leaves service.

(2B) In this rule, for a person who is, after reaching their immediate pension point, discharged on grounds of misconduct, incapacity, unsuitability or inefficiency within their own control, X is calculated according to the following formula—

Step 1: Take the amount specified for a person of the member’s pension rank with the number of whole years’ reckonable service that the member has in the AFPS 1975 in the relevant table of the pension code specifying standard rates of service pension for a person of the member’s rank, in force on the day the member leaves service; and

Step 2: Multiply the resulting value in step 1 by the fraction resulting from dividing A by B.

In this step—

“A” is the amount specified in the relevant table of the pension code specifying lower rates of service pension paid for a person of the member’s rank with the total number of whole years’ reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015 that the member has on the day they leave service; and

“B” is the amount specified in the pension code specifying standard rates of service pension for a person of the member’s rank with the total number of whole years’ reckonable service in the AFPS 1975 and pensionable service in the AFPS 2015.”.

(b) for rule D.6(8) of the AFPS 1975 is substituted the following—

“(8) The additional amount mentioned in paragraph (2)(c) is the product of—

(a) the number of years for which the member served as an officer before the member’s transition date; and

(b) the amount of the annual commissioned service addition specified in the pension code in force on the last day of the member’s pensionable service.”.

(c) in rule D.6(10)—

“y is the number of years for which the member serves in the lower rank” is substituted for—

“y is the number of years for which the member serves in the lower rank before their transition date”.

Preserved pensions and lump sums

43. For transition members with continuity of service, in rule D.12 (overall pension amount) of the AFPS 1975, paragraph (1)(b)(i) is amended by inserting after “that the member has” the words “in the AFPS 1975”.

Secretary of State does not consider that the member has suffered a permanent breakdown of health involving incapacity for any full-time employment

- 44.**—(1) This paragraph applies if a member of the AFPS 1975—
- (a) claimed payment of an ill-health pension under the AFPS 1975 before the member’s transition date; and
 - (b) the pension does not become payable before the member’s transition date.
- (2) if the member is not entitled to immediate payment of an ill-health pension under the AFPS 1975, the member joins the AFPS 2015 on whichever is the later of—
- (a) the member’s transition date; and
 - (b) the day after all relevant appeal rights have expired in relation to the Secretary of State’s decision that the member has not suffered a permanent breakdown in health involving incapacity for any full-time employment.
- (3) Where sub-paragraph (2) applies, the member is exempted from section 18(1) of the 2013 Act in respect of the period before the member becomes a member of the AFPS 2015.

Deferred membership of the AFPS 1975

- 45.**—(1) A transition member with continuity of service (T) does not become a deferred member of the AFPS 1975 unless T becomes a deferred member of the AFPS 2015.
- (2) If T opts out of the AFPS 2015 in relation to service in a scheme employment and T has at least 2 years’ qualifying service T becomes a deferred member of the AFPS 1975 in relation to that service.
- (3) If T re-enters pensionable service under the AFPS 2015 after a gap in service not exceeding 5 years, T ceases to be a deferred member of the AFPS 1975.

Qualifying for retirement benefits under the AFPS 1975

- 46.**—(1) In determining whether a transition member with continuity of service qualifies for retirement benefits under the AFPS 1975, the member’s qualifying service includes the total of—
- (a) the member’s qualifying service under the AFPS 1975; and
 - (b) the member’s qualifying service under the AFPS 2015.

Final salary link not to apply again to a pension in payment

47. Where any element of pension under the AFPS 1975 which is in payment has been calculated by reference to Schedule 7 (final salary link) to the 2013 Act, that element of the pension is not recalculated by reference to Schedule 7 to the 2013 Act in consequence of a subsequent period of pensionable public service (as defined in paragraph 3 of Schedule 7 to the 2013 Act) unless the further period of pension is aggregated under the rules of the AFPS 1975.

PART 6

Miscellaneous transitional and consequential provisions

Purchase of additional reckonable service in respect of period on loan

48.—(1) This paragraph applies in relation to a transition member if on 1st April 2015 they are in qualifying service in accordance with rule A.10 (qualifying service) of the AFPS 1975.

(2) For rule C.3 (purchase of additional reckonable service) of the AFPS 1975 is substituted—

“C.3

(1) Following a period which is qualifying service by virtue of rule A.10(c)(loan to another organisation), an active member may opt to make a single lump sum contribution to the AFPS 1975 to increase the member’s reckonable service in respect of that single period of service by an additional period equal to the period of the secondment before 1st April 2015⁽⁸⁾.

(2) The option may not be exercised more than 12 months after the end of the period, unless the Scheme administrator so permits.

(3) The amount of the lump sum is the aggregate of—

(a) any contributions paid by the member to, and returned by, the pension scheme to which the member was required to belong during the period; and

(b) any lump sum paid by that scheme to the member after the end of the period.

(4) If the member exercises the option, the member’s reckonable service is increased by the period in question.

(5) If the Scheme actuary in each case determines that the amount required to increase the member’s reckonable service by the period in question is greater than that given by paragraph (3), the Service or body funding the arrangement with the other organisation is to make a contribution to the AFPS 1975 equal to the difference.”.

Option to buy additional reckonable service under the AFPS 1975 continues to have effect

49.—(1) This paragraph applies where a transition member with continuity of service—

(a) has exercised an option under rule C.1(1) (purchase of additional reckonable service by periodic contributions) of the AFPS 1975 before the member’s transition date; and

(b) on the member’s transition date, the contractual option period is extant.

(2) Periodical payments paid by the member in accordance with Part C after 31st March 2015 and before the end of the contractual option period are valid for the purposes of Part C, and the contractual option period continues as if the member continued in pensionable service under the AFPS 1975.

(3) If the member opts out of the AFPS 2015, any periodical payments paid by the member in accordance with Part C cease to be payable.

Option to buy right to enhanced benefits calculation ceases to have effect

50.—(1) A transition member who has exercised an option under rule C.4 (purchase of right to have benefits calculated on enhanced basis) of the AFPS 1975 can make no payments under rule C.4 on or after their transition date, and the option period does not continue after that date.

⁽⁸⁾ In respect of the period of the secondment from 1st April 2015, the member will have an option to make a lump sum contribution to the AFPS 2015 under regulation 97 of the AFP Regulations 2014.

(2) The member is to be given benefits in the AFPS 1975 determined by the Defence Council with the approval of the Treasury after consultation with the Scheme actuary.

Option to buy increased pension for surviving spouse or civil partner ceases to have effect

51.—(1) A transition member who has exercised an option under rule C.6 (purchase of increased pension for surviving spouse or civil partner) of the AFPS 1975 can make no payments under rule C.6 on or after their transition date and the option period does not continue after that date.

(2) The member is to be given benefits in the AFPS 1975 determined by the Defence Council with the approval of the Treasury after consultation with the Scheme actuary.

Option to buy enhanced death in service lump sum ceases to have effect

52.—(1) A transition member who has exercised an option under rule C.8 (purchase of enhanced death in service lump sum) of the AFPS 1975 can make no payments under rule C.8 on or after their transition date, and the option period does not continue after that date.

(2) Payments made by the member before their transition date are not to be taken into account when determining a death in service lump sum under the AFPS 1975.”