
STATUTORY INSTRUMENTS

2018 No. 1111

**The Armed Forces Pension Schemes and Early Departure
Payments Schemes (Amendments Relating to Flexible
Working and Miscellaneous Amendments) Regulations 2018**

PART 2

Amendment of the Armed Forces Pension Scheme Order 2005

Amendment of the Armed Forces Pension Scheme Order 2005

3.—(1) Schedule 2 to the Armed Forces Pension Order 2005 (transitional provision)⁽¹⁾ is amended as follows.

(2) In paragraph 1 (interpretation), insert in the appropriate places in the alphabetical order the following definitions—

““flexible service” has the meaning given in rule A.1(4) of Schedule 1;

“part-time service” has the meaning given in rule A.1(4) of Schedule 1;

“restricted separation service” has the meaning given in rule A.1(4) of Schedule 1;

“service reduction percentage” has the meaning given in rule A.2A of Schedule 1.”

(3) In paragraph 14 (active transition member with permanent serious ill-health who leaves service before reaching age 55)—

(a) in sub-paragraph (4), after sub-paragraph (c) of the substituted rule D.5(5) insert—

“(d) For the purposes of calculating the member’s pensionable service in the AFPS 2015 under this rule, any period of pensionable service which is also a period when the member has served on flexible terms is reduced by the service reduction percentage applicable to that period of service.”;

(b) in sub-paragraph (5), after sub-paragraph (d) of the substituted regulation 54(2)(b) insert—

“(e) For the purposes of calculating the member’s pensionable service in the AFPS 2015 under sub-paragraphs (b)(i), (c) and (d)(ii)(aa), any period of pensionable service which is also a period when the member has served on flexible terms is reduced by the service reduction percentage applicable to that period of service.”.

(4) In paragraph 17 (active transition member with significant impairment of capacity for gainful employment who leaves service before reaching age 55)—

(a) in sub-paragraph (4), after sub-paragraph (c) of the substituted rule D.6(3) insert—

“(d) For the purposes of calculating the member’s pensionable service in the AFPS 2015 under this rule, any period of pensionable service which is also a period

⁽¹⁾ Schedule 2 was inserted by regulation 13 of [S.I. 2015/568](#) to make transitional provision for members who were transferred to a new Armed Forces Pension Scheme on 1 April 2015 and who retained accrued rights in the Scheme. The former Schedule 2 to the Armed Forces Pension Order 2005 was revoked by [S.I. 2006/717](#).

when the member has served on flexible terms is reduced by the service reduction percentage applicable to that period of service.”;

(b) in sub-paragraph (5), after sub-paragraph (d) of the substituted regulation 55(2)(b) insert—

“(e) For the purposes of calculating the member’s pensionable service in the AFPS 2015 under sub-paragraphs (b)(i) and (c), any period of pensionable service which is also a period when the member has served on flexible terms is reduced by the service reduction percentage applicable to that period of service.”.

(5) In paragraph 40 (final salary link for a transition member with continuity of service), for sub-paragraph (2), substitute—

“(2) If a member’s final pensionable earnings on leaving service as a member of AFPS 2015 are lower than the member’s final pensionable earnings on their last day of reckonable service in the AFPS 2005, the member’s final pensionable earnings are to be determined as if paragraph (1) of rule A.4 of the AFPS 2015 were replaced by the following—

“(1) In these Rules, “final pensionable earnings”, in relation to a member, means the greatest amount that is the member’s total pensionable earnings for 365 consecutive days falling within the period beginning three years before their last day of reckonable service in the AFPS 2005.””