

SCHEDULE

THE ARMED FORCES REDUNDANCY SCHEME 2020

PART 2

Eligibility, entitlement and amount of compensation

Eligibility for a payment

7.—(1) A person is eligible for a payment under paragraph 8(1) if they meet conditions A to E as provided for in sub-paragraphs (2) to (6).

(2) Condition A is that the person is a member of either—

- (a) the regular forces, or
- (b) the reserve forces on either an FTRS commitment or an additional duties commitment.

(3) Condition B is that the person is an active member of the AFPS 2015 or has opted to cease to be an active member of that scheme.

(4) Condition C is that the person—

- (a) is a member of the regular forces who has been notified by or on behalf of the Defence Council that their service is to be terminated and that they are eligible for compensation under the AFRS 2020,
- (b) is a member of the regular forces and is an officer of at least the rank of Commodore, Brigadier or Air Commodore who has been notified by or on behalf of the Defence Council that they are directed to take early retirement and that they are eligible for compensation under the AFRS 2020,
- (c) is a member of the reserve forces on either an FTRS commitment or an additional duties commitment and is an officer of at least the rank of Commodore, Brigadier or Air Commodore who has been notified by or on behalf of the Defence Council that they are directed to take early retirement and that they are eligible for compensation under the AFRS 2020, or
- (d) is a member of the reserve forces on either an FTRS commitment or an additional duties commitment who has been notified by or on behalf of the Defence Council that their commitment is to be terminated and that they are eligible for compensation under the AFRS 2020.

(5) Condition D is that the person, having received a notification under sub-paragraph (4)—

- (a) ceases to be in service as a member of the regular forces, or
- (b) ceases to be on an FTRS commitment or an additional duties commitment.

(6) Condition E is that the person is not entitled to an ill-health pension.

(7) In this Schedule references to an ill-health pension include a pension under:

- (a) regulation 51 of the Armed Forces Pension Regulations 2014⁽¹⁾,
- (b) regulation 52 of the Armed Forces Pension Regulations 2014,
- (c) regulation 19 of the Armed Forces Early Departure Payments Scheme Regulations 2014⁽²⁾, and

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

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

- (d) regulation 9 of the Armed Forces Early Departure Payments Scheme Regulations 2014, where the scheme administrator has determined that a payment should be made under that regulation instead of under regulation 19.

Commencement Information

I1 Sch. para. 7 in force at 1.1.2021, see art. 1(b)

Entitlement to a redundancy payment

8.—(1) An eligible person becomes entitled to a lump sum payment when they cease to be in service as referred to in paragraph 7(5)(a) or cease to be on a commitment as referred to in paragraph 7(5)(b).

(2) The lump sum must be paid before the end of the 3 month period beginning with the day on which the person ceases to be in service as referred to in paragraph 7(5)(a) or on a commitment as referred to in paragraph 7(5)(b).

(3) The eligible person is not entitled to the lump sum if—

- (a) the person has already received a lump sum (“previous lump sum”) under this paragraph or under corresponding provisions in the AFRS 2006 or the AFRS 2010,
- (b) the previous lump sum is liable to repayment under paragraph 14, and
- (c) the previous lump sum has not been repaid before the time when the person would otherwise be entitled to the lump sum under this paragraph.

Commencement Information

I2 Sch. para. 8 in force at 1.1.2021, see art. 1(b)

Amount of payment: regulars on long service commitments leaving before EDP 2015 point

9.—(1) This paragraph applies to an eligible person who—

- (a) has joined the regular forces on or after 1st April 2015,
- (b) would have become entitled to EDP 2015 payments or have reached age 60 had their service continued to the end of their commitment period, and
- (c) ceases service before becoming entitled to EDP 2015 payments or reaching age 60.

(2) The amount payable under paragraph 8(1) is 10.2% of the person’s final relevant earnings multiplied by the number of years of redundancy qualifying service served by the person (subject to a maximum of 20 years).

Commencement Information

I3 Sch. para. 9 in force at 1.1.2021, see art. 1(b)

Amount of payment: regulars on long service commitments leaving after EDP 2015 point

10.—(1) This paragraph applies to an eligible person who—

- (a) has joined the regular forces on or after 1st April 2015;

- (b) ceases service before the end of their commitment period, but on or after becoming entitled to EDP 2015 payments or reaching age 60.
- (2) Subject to sub-paragraphs (3) and (4), the amount payable under paragraph 8(1) is equal to the person's final relevant earnings.
- (3) If the number of remaining years that the person had left to serve in their commitment ("R") is less than 4, the amount payable under paragraph 8(1) is 25% of their final relevant earnings multiplied by R.
- (4) If the person has 40 or more years of pensionable service as a member of AFPS 2015, the maximum amount payable under paragraph 8(1) is half of the person's final relevant earnings.

Commencement Information

I4 Sch. para. 10 in force at 1.1.2021, see art. 1(b)

Amount of payment: regulars on short service commitments

- 11.**—(1) This paragraph applies to an eligible person who—
- (a) joined the regular forces on or after 1st April 2015,
 - (b) would neither have become entitled to EDP 2015 payments nor reached age 60, even had their service continued to the end of their commitment period, and
 - (c) ceases service before the end of that period.
- (2) The amount payable under paragraph 8(1) is the lower of—
- (a) $10.2\% \times F \times Q$, and
 - (b) $(10.2\% \times F \times R) + (10.2\% \times F)$,
- where—
- F is the person's final relevant earnings,
 - Q is the number of years of redundancy qualifying service served by the person, and
 - R is the number of remaining years that the person had left to serve in their commitment.

Commencement Information

I5 Sch. para. 11 in force at 1.1.2021, see art. 1(b)

Amount of payment: reservists on FTRS commitments

- 12.**—(1) This paragraph applies to an eligible person who is serving in the reserve forces on an FTRS commitment.
- (2) The amount payable under paragraph 8(1) is the lower of—
- (a) $10.2\% \times F \times Q$, and
 - (b) $(10.2\% \times F \times R) + (10.2\% \times F)$,
- where—
- F is the person's final relevant earnings,
 - Q is the number of years of redundancy qualifying service served by the person in their current commitment, and

R is the number of remaining years that the person had left to serve in their current commitment.

Commencement Information

I6 Sch. para. 12 in force at 1.1.2021, see art. 1(b)

Amount of payment: reservists on additional duties commitments

13.—(1) This paragraph applies to an eligible person who is serving in the reserve forces on an additional duties commitment.

(2) The amount payable under a paragraph 8(1) is calculated as follows—

Step 1: Take the lower of—

- (a) $10.2\% \times F \times Q$, and
- (b) $(10.2\% \times F \times R) + (10.2\% \times F)$,

where—

F is the person’s final relevant earnings,

Q is the number of years of redundancy qualifying service served by the person in their current commitment, and

R is the number of remaining years that the person had left to serve in their current commitment.

Step 2: Take the result of Step 1 and multiply by ND/365

where ND is the number of days in the person’s current additional duties commitment.

Commencement Information

I7 Sch. para. 13 in force at 1.1.2021, see art. 1(b)

Effect of resuming armed forces service after receiving a redundancy payment

14.—(1) This paragraph applies where a person who has received a payment under paragraph 8(1) or under corresponding provisions in the AFRS 2006 or the AFRS 2010—

- (a) enters service as a member of the regular forces again otherwise than as a result of his being recalled for service under Part 7 of the Reserve Forces Act 1996(3) or under the Reserve Forces Act 1980(4),
- (b) enters service on an FTRS commitment, or
- (c) enters service on an additional duties commitment,

and in this paragraph that service is referred as “the new service”.

(2) If the service break is less than the relevant period, the person must repay the relevant portion of the payment.

(3) In this paragraph—

- (a) the “service break” means the period beginning with the day the person became entitled to the payment and ending with the day before the start of the new service;

(3) 1996 c. 14.

(4) 1980 c. 9.

(b) the “relevant period” means—

(i) where the payment was made under the AFRS 2010—

$$\frac{P \times 365}{F}$$

where—

P is the amount of payment, and

F is the annual pay by reference to which the payment was calculated;

(ii) where the payment was made under the AFRS 2006 or paragraph 8(1) to a person who ceased to be a member of the armed forces—

$$\frac{P \times 365}{F}$$

where—

P is the amount of payment, and

F is the final relevant earnings by reference to which the payment was calculated;

(iii) where the payment was made under paragraph 8(1) to a person who ceased service under a FTRS commitment—

$$\frac{P \times 365}{F}$$

where—

P is the amount of payment, and

F is the annual pay by reference to which the payment was calculated;

(iv) where the payment was made under paragraph 8(1) to a person who ceased service under an additional duties commitment—

$$\frac{P \times 365}{F}$$

where—

P is the amount of payment, and

F is the annual pay by reference to which the payment was calculated; and

(c) the “relevant portion” means—

$$\frac{RP - SB}{RP}$$

where—

RP is the number of days in the relevant period, and

SB is the number of days in the service break.

Commencement Information

18 Sch. para. 14 in force at 1.1.2021, see **art. 1(b)**

Changes to legislation:

There are currently no known outstanding effects for the The Armed Forces Redundancy Scheme Order 2020, PART 2.