

2024 No. 491

PUBLIC SERVICE PENSIONS

The Armed Forces Pensions (Amendment) Regulations 2024

<i>Made</i> - - - -	<i>10th April 2024</i>
<i>Laid before Parliament</i>	<i>15th April 2024</i>
<i>Coming into force</i> - -	<i>6th May 2024</i>

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 1(1) and (2)(h), 2(1) (together with paragraph 8 of Schedule 2) and 3(1), (2)(a) (together with paragraph 2 of Schedule 3), (3)(a) and (3)(b) of the Public Service Pensions Act 2013^(a) (“the Act”).

In accordance with section 3(5) of the Act, these Regulations are made with the consent of the Treasury.

In accordance with section 21(1) of the Act, the Secretary of State has consulted the representatives of such persons as appear to the Secretary of State likely to be affected by these Regulations.

Citation, commencement and extent

1. These Regulations—
 - (a) may be cited as the Armed Forces Pensions (Amendment) Regulations 2024;
 - (b) come into force on 6th May 2024;
 - (c) extend to England and Wales, Scotland and Northern Ireland.

Amendment of the Armed Forces Pension Regulations 2014

2. The Armed Forces Pension Regulations 2014^(b) are amended as follows.

Amendment of regulation 3

3. In regulation 3 (interpretation), in paragraph (1), after the definition of “index adjustment” insert—

““index supplement” has the meaning given in regulation 25A (calculation of “index supplement”);”.

(a) 2013 c. 25. Section 3(1) was amended by section 94(2) of the Public Service Pensions and Judicial Offices Act 2022 (c. 7).
(b) S.I. 2014/2336. There are amending instruments but none is relevant.

Amendment of regulation 25

4.—(1) Regulation 25 (calculation of amount of accrued pension for the purposes of Parts 4 and 5) is amended as follows.

(2) In paragraph (2)—

(a) omit the “and” after sub-paragraph (c);

(b) at the end of sub-paragraph (d) insert—

“; and

(e) any index supplement that may be due under regulation 25A”.

(3) In paragraph (5)—

(a) omit the “and” after sub-paragraph (a);

(b) at the end of sub-paragraph (b) insert—

“; and

(c) any index supplement that may be due under regulation 25A”.

Insertion of regulation 25A

5. After regulation 25 (calculation of amount of accrued pension for the purposes of Parts 4 and 5), insert—

“Calculation of “index supplement”

25A—(1) This regulation applies where an index adjustment, determined by reference to the percentage increase in earnings in the previous scheme year for the purposes of regulation 25(2) or (5), has been credited to a member’s pension account for a scheme year beginning on—

(a) 1st April 2020;

(b) 1st April 2021,

each a “relevant year”.

(2) The scheme manager must—

(a) calculate the index supplement for any relevant year as soon as reasonably practicable, and

(b) credit the index supplement to the member’s pension account with effect from the date on which the index adjustment for any relevant year was credited to the member’s pension account.

(3) The index supplement is an amount calculated as follows—

A-B

where—

A is the index adjustment for the purposes of regulation 25(2) or (5) calculated as if the percentage increase in earnings specified in the relevant Treasury order had been—

(a) 2.6% in relation to the scheme year beginning on 1st April 2020;

(b) 4.5% in relation to the scheme year beginning on 1st April 2021;

B is the index adjustment for the purposes of regulation 25(2) or (5) calculated by reference to the percentage increase in earnings specified in the relevant Treasury order.

(4) For the purposes of regulation 33, any reference to “index adjustment” includes any “index supplement”.

(5) In this regulation, the relevant Treasury order means—

- (a) for the scheme year beginning on 1st April 2020, the Public Service Pensions Revaluation Order 2021;
- (b) for the scheme year beginning on 1st April 2021, the Public Service Pensions Revaluation Order 2022.”.

Amendment of regulation 26

6. In regulation 26(2), after “In this regulation”, insert “and regulation 26A”.

Insertion of regulation 26A

7. After regulation 26 (calculation of “retirement index adjustment”), insert—

“Calculation of “retirement index supplement”

26A—(1) This regulation applies where a retirement index adjustment—

- (a) has been applied to an amount of accrued pension for a leaving year which is a leaving year beginning on either 1st April 2020 or 1st April 2021, and
- (b) the retirement index adjustment has been calculated by reference to the increase in earnings for that scheme year.

(2) The scheme manager must as soon as reasonably practicable—

- (a) calculate the retirement index supplement; and
- (b) credit the retirement index supplement to the member’s pension account.

(3) The retirement index supplement is an amount calculated as follows—

A-B

where—

A means the retirement index adjustment calculated as if the percentage increase in earnings specified in the relevant Treasury order had been—

- (a) 2.6% in the scheme year beginning on 1st April 2020;
- (b) 4.5% in the scheme year beginning on 1st April 2021;

B means the retirement index adjustment calculated by reference to the percentage increase in earnings specified in the relevant Treasury order for the relevant scheme year.

(4) For the purposes of regulations 35, 40 and 115, any reference to “retirement index adjustment” includes any “retirement index supplement”.

(5) In this regulation, the relevant Treasury order means—

- (a) for the scheme year beginning on 1st April 2020, the Public Service Pensions Revaluation Order 2021;
- (b) for the scheme year beginning on 1st April 2021, the Public Service Pensions Revaluation Order 2022. ”.

29th March 2024

Andrew Murrison
Parliamentary Under Secretary of State
Ministry of Defence

10th April 2024

Mike Wood
Amanda Milling
Two of the Lords Commissioners of His Majesty's Treasury
HM Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Armed Forces Pension Regulations 2014 (S.I. 2014/2336) (“the 2014 Regulations”).

Regulation 3 inserts a new definition in regulation 3 of the 2014 Regulations.

Regulation 4 amends regulation 25 of the 2014 Regulations to ensure that the index supplement created by regulation 5 is added to affected members’ pension accounts.

Regulation 5 inserts a new regulation 25A in the 2014 Regulations which creates an index supplement to provide additional pension benefits to members affected by errors made in the Public Service Pensions Revaluation Order 2021 (S.I. 2021/276) and the Public Service Pensions Revaluation Order 2022 (S.I. 2022/215) (“the relevant orders”).

Regulation 6 amends regulation 26 of the 2014 Regulations to ensure that appropriate definitions apply to new regulation 26A (calculation of “retirement index supplement”).

Regulation 7 inserts a new regulation 26A in the 2014 Regulations which creates a retirement index supplement to provide additional pension benefits to members affected by errors made in the relevant orders who retired during the scheme years beginning on 1st April 2020 or 1st April 2021.

A full impact assessment has not been completed for these Regulations as no, or no significant, impact on the private, voluntary or public sector is foreseen.

© Crown Copyright 2024

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of His Majesty’s Stationery Office and King’s Printer of Acts of Parliament.

£5.78

<http://www.legislation.gov.uk/id/uksi/2024/491>

ISBN 978-0-34-826026-7



9 780348 260267