

## CHAPTER 38

# RETIREMENT, RESIGNATION, TRANSFER TO THE RESERVE AND RELINQUISHMENT OF COMMISSION, ETC – OFFICERS

\*Further guidance relating to the Armed Forces Pension Scheme 2005 and 1975 can be found on the MOD Remuneration Intranet Site:

<http://defenceintranet.diif.r.mil.uk/Personnel/Military/Remuneration/Pages/PensionsfortheArmedForces.aspx>

Regulations covering AFPS-05 are contained within JSP 764

### SECTION 1 - GENERAL PROVISIONS

#### **2900. Retirement, Etc.**

*Sponsor: RAF Employment Policy*

The regulations governing retirement, etc, other than those incorporated in paras **2903** to **2905**, are contained in AP 3393 Vol 1. Rates of pension are detailed within AFPS-75 Pension Codes.

#### **2901. Definition.**

*Sponsor: SPP(Pens)*

The term “pension benefit age” when used in chapters 38 – 41 and 44 , unless a contrary intention appears, mean:

- (a) in respect of pension benefits accrued by reference to service before 6 April 2006, the age of 60;
- (b) in respect of pension benefits accrued by reference to service on or after 6 April 2006, the age of 65.

#### **2902. (Omitted)**

#### **2903. Aides-de-Camp not Exempted from Retirement.**

*Sponsor: RAF Employment Policy*

An officer who holds the appointment of air aide-de-camp, aide-de-camp, honorary aide-de-camp, or honorary surgeon, physician, dental surgeon, chaplain or nursing sister to the Queen, shall not, by virtue of his or her position in any of those capacities, be exempted from premature retirement.

#### **2904. Retirement on Appointment to Employment not regarded as part of RAF Service.**

*Sponsor: RAF Employment Policy*

On appointment to employment not regarded as part of his RAF service (see para 311) an officer will be retired, transferred to the reserve, or granted unpaid leave for the period of such employment.

#### **2904A. Officers re-employed in public service.**

*Sponsor: SPP(Pens)*

The Retired Pay of an officer who is re-employed in FTRS service may be subject to abatement. Abatement will apply where an individual is re-employed in an FTRS appointment and where the appointment was made under closed competition terms. The abatement will continue throughout the period of FTRS. In this paragraph closed competition means that the appointment is only made available to members and former-members of the Armed Forces, including reservists. Retired pay is to be reduced so that the total remuneration by way of retired pay and salary received on the day of taking up the FTRS appointment does not exceed the uprated annual rate of basic military salary in issue on the last day of regular service. The abatement will be calculated as follows:

$$A = B + C - D$$

where

A is the amount of the abatement.

B is the service retired pay on the date of the public service appointment inclusive of any sum commuted and pensions increases assessed as if commutation had not taken place.

C is the salary of the public service appointment on date of appointment.

D is the basic military salary in issue on the last day of service dynamised where necessary by pensions increase factors with operative dates, up to, on, or subsequent to, the date of retirement and up to the date of taking up the public service appointment.

Where the formula produces a negative result, there will be a nil abatement.

Once the abatement has been determined it is not subject to recalculation for the duration of the appointment unless there is a change in conditioned hours or where there is a change of rank or grade, or re-appointment under a new contract.

Any retired pay that has been subject to abatement will be re-instated on completion of a period of FTRS.

**2905. Compulsory Termination of Commission, Compulsory Retirement and Transfer to the Reserve, and Removal from the Service.**

*Sponsor: RAF Employment Policy*

- (1)
  - (a) An officer who fails to complete the training required to make **them** fit for productive duty in **their** Branch will be liable to have **their** commission terminated.
  - (b) An officer who has been reinstated, re-employed or reappointed to the Active List and who fails to complete successfully any training required to make **them** fit for the duties of **their** Branch, unless **they are** accepted for training for another Branch, normally will be required compulsorily to revert to the Retired List, or to transfer to the Reserve as appropriate.
- (2) An officer (including an officer on the Retired List) will be liable to be removed from the Service (including the Retired List) or have **their** commission terminated at any time for misconduct. **They** may, however, if the Defence Council so decide, be called upon to resign **their** commission or to retire. In such cases failure to submit a formal application to resign or to retire would involve removal or termination as decided by the Defence Council. An officer convicted by Court-Martial of misconduct but not sentenced by the Court to be dismissed from Her Majesty's Service may nevertheless be removed for misconduct under this clause.
- (3) An officer who has not committed misconduct may at any time be called upon to retire, relinquish or resign **their** commission on grounds of unsuitability, incapacity, inefficiency or for any similar reason, should the circumstances, in the opinion of the Defence Council, require it. Alternatively, if the officer's commission carries with it a liability for reserve service, **they may**, if the Defence Council so decide, be called upon to apply for transfer to the reserve. If the officer fails to submit a formal application to retire, to resign, to relinquish **their** commission or to be transferred to the reserve when called upon to do so, **their** retirement, the relinquishment of **their** commission, **their** resignation or **their** transfer to the reserve will be effected compulsorily without such an application.
- (4) An officer to whom the provisions of the preceding clauses do not apply may nevertheless be called upon to retire, relinquish or resign **their** commission or be transferred to the reserve, or be compulsorily retired or transferred to the reserve, or invalidated, at any time, should the Defence Council consider this to be necessary. Termination under this clause does not in any way signify fault or blame on the part of the officer.
- (5) In **all** cases where it is considered appropriate to **call upon an officer to retire, relinquish or resign their commission or** terminate **their** commission (including compulsory retirement and being called upon to retire), pursuant to QR1027, no disposal action is to be taken until the officer has been afforded the opportunity to make representations in person **to the appropriate disposal authority**.

**2906.. Retirement and Transfer to the Reserve.**

*Sponsor: RAF Employment Policy*

- (1) Detailed policy on termination of officer service is contained in AP3393 Vol 1. An officer will normally leave the service by either:
  - (a) Retiring at the initial, optional or normal retirement date of an Early Departure Payment earning or longer Commission.

- (b) Transferring to the Reserve at the end of an Initial Commission.
- (2) Subject to the exigencies of the Service, an officer may apply for premature release from active service prior to the occasions outlined above by either:
  - (a) Premature voluntary retirement or transfer to the Reserve.
  - (b) Relinquishment of a commission (Honorary, Temporary, Short Term (or?) Regular that carries no reserve liability).
  - (c) Resignation, which is exceptional. Resignation will result in no reserve commitment and no retired pay.
- (3) A medically downgraded officer not dealt with under QR1421(3) or QR2905, may elect for premature voluntary retirement having declined an offer of alternative employment or where the medical limitations imposed have unacceptably affected career prospects.

**2907-2913.** (Omitted)

**J2914. Retired Officers in Civil, Commonwealth, or Foreign Government Employment.**

*Sponsor: RAF Employment Policy*

- (1) An officer on retirement, or at any time following retirement, who wishes to accept employment with:
  - (a) the government of any country, including a Commonwealth country, whose nationals do not owe common allegiance to the Crown, or
  - (b) any organisation owned, controlled or sponsored by such a government, or
  - (c) any overseas police force, however it may be controlled, will, in all but the most exceptional circumstances, be required to resign his commission.
- (2) Before accepting any such employment, the officer must notify Manning.
- (3) On termination of such employment, it is normal for an officer's commission to be reinstated on request. Where the reinstatement of a commission is refused, the individual retains the right of complaint to the appropriate Service Board.
- (4) Receipt of Service Retired Pay between the time of resignation and reinstatement is normally unaffected.

**2915-2920.** (Omitted)

**SECTION 2 - CALCULATION OF SERVICE RETIRED PAY AND PRESERVED PENSIONS FOR SENIOR RAF OFFICERS**

**2921. Application.**

*Sponsor: SPP(Pens)*

The provisions of Section 1A apply only to the officers of the senior rank of Air Vice-Marshal and above, other than medical and dental officers, whose last day of service is on or after 31 March 1999.

**2922.**

*Sponsor: SPP(Pens)*

Subject to the provisions of para **2923** below, the provisions of this section override the provisions of paras **2932, 2933, 2934**, and **3061(1)**. In all other respects the provisions of Chapters 38, 40, 42, 43, and 45 will continue to apply to officers to whom this section applies.

**2923.**

*Sponsor: SPP(Pens)*

The provisions of this section will not apply to any senior officer who, before 31 December 1998, elects to remain subject to the provisions of paras **2932, 2933, 2934** and **3061(1)**.

**2924. Calculation of Service Retired Pay and Preserved Pensions.**

*Sponsor: SPP(Pens)*

Any award of Service retired pay and preserved pension made under para **2934** and **3061(1)** shall be assessed at the percentage rates shown in AFPS 75 Pension Codes applied to pensionable earnings for each year or part year of reckonable service, calculated pro rata to the nearest day, subject to a maximum rate of retired pay of not more than 50% of pensionable pay. Where an officer is invalidated, attributable or non-attributably, and the appropriate invalidating pension code is lower, then the normal rate of retired pay shall apply.

**2925.**

*Sponsor: SPP(Pens)*

Pensionable earnings shall be defined as the total amount of basic pay received during the year ending on the day prior to retirement or the amount of basic pay received during any 12 month period within 3 years prior to retirement, whichever was the higher. In either case, the total amount of basic pay will be adjusted in proportion to any pension increases authorised by Order from the last day of the financial year in which pay was received up to the last day of pensionable service.

**SECTION 3 - SERVICE RETIRED PAY, SERVICE INVALIDING RETIRED PAY, SERVICE ATTRIBUTABLE RETIRED PAY, TERMINAL GRANTS**

**2926. Applicability of Regulations.**

*Sponsor: SPP(Pens)*

The provisions of this Section relate, except where otherwise stated, to officers holding pensionable commissions who leave the Active List on or after 1 April 2003. The provisions of para **2938(3)** and **2945** may apply, at the discretion of the Defence Council, to officers serving on Short Service gratuity-earning Commissions. The provisions of this section do not apply to service by those who have opted out of the Armed Forces Pensions Scheme, except as otherwise indicated. For the avoidance of doubt, an officer is not entitled to service attributable retired pay under this section if he is entitled to the payment of benefits under the Armed Forces Compensation Scheme 2005 (established under s.1(2) of the Armed Forces (Pensions and Compensation) Act 2004 (c.32)) in respect of the same condition.

**2927. The Veterans Agency.** *Sponsor: SPP(Pens)*

Any reference to the 'Veterans Agency' within this chapter means that part of the Ministry of Defence which discharges the functions of the Secretary of State for Defence concerning war pensions under the 'Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 1983' as amended.

**2928. Qualifying Service for Retired Pay, Terminal Grant, Gratuity.** *Sponsor: SPP(Pens)*

(1) The undermentioned periods may be included in assessing qualifying service for awards under this Section subject to the conditions set out in this para and para **2930**.

- (a) Full pay service in the Armed Forces of the UK.
- (b) Periods on full pay as an officer for the purpose of training, while a member of the auxiliary and reserve forces, except broken periods of less than six months' duration.
- (c) See: para **2928A** for the rules on maternity leave.
- (d) (Omitted).
- (e) (Omitted).
- (f) Periods of service in appointments not remunerated from Air Force funds and not reckonable under any other superannuation scheme which it is decided can reasonably be regarded as part of the officer's career. These shall be appointments to which the officer brings his service knowledge and from which he acquires additional experience and which have been officially offered to the holder as part of his RAF service.
- (g) Former full pay service in the Commonwealth military forces but only where service in the UK Armed Forces commenced before 1 September 1985.
- (h) Periods on reduced pay while being sponsored as an outstanding athlete.

(2) Rules for counting previous periods of service as qualifying or reckonable for pension purposes are shown below:

(a) Service preceding a break of five or more years between periods of service and given wholly before 31 March 1975 may not be included as qualifying or reckonable service unless allowed exceptionally. Such exception will normally be determined by the appropriate Service manning authority at the time service is resumed.

(b) Where during a break in service the officer was a member of a reserve of any of the Armed Forces, undertaking or liable for periodic training, the period of such membership, although not in itself qualifying or reckonable, shall not be regarded as an interval in service for the purpose of deciding whether the previous service is admissible.

(c) Previous service, which ended on or after 1 April 1975 and for which preserved benefits were awarded, may be counted as both qualifying and reckonable service irrespective of the length of the break in service.

(d) Previous service, which ended on or after 1 April 1975 and for which preserved benefits were awarded may be included irrespective of the length of the break in service.

(e) An officer who re-enters the Service on or after 1 April 1985, having previously served on a pensionable commission on or after 31 March 1975, may count all that previous service as reckonable, even though preserved benefits were not awarded; such service may also count towards the minimum period required to qualify for immediate benefits.

(f) All officers who re-entered the Service on or after 1 September 1998 may, subject to paragraph 2930(2), count any previous gratuity earning service irrespective of the length of the break in Service.

(3) An officer who has opted out of the Armed Forces Pension Scheme, or elected not to become a member, may be allowed one subsequent opportunity to join or rejoin, subject to medical fitness and provided that application is made before he is within 6 months of reaching the age of 55. If previous Armed Forces Pension Scheme service had been transferred out of the Scheme, that and all service during which the officer had opted out of the Scheme may be transferred into the Scheme under the transfer rules applying at the time of transfer. All actual service may then count towards the minimum periods required to qualify for benefits under the Scheme as though that service had been entirely within the Scheme, but only service equivalent to the transfer value of the service transferred into the Scheme, plus actual service completed after the transfer, will reckon for the purpose of calculating the amounts of benefit payable. If the total of such service is less than the minimum period required to qualify for the benefit in question, the amount of benefit payable will be calculated on a pro-rata basis.

(4) If previous Armed Forces Pension Scheme service had not been transferred out of the scheme, and service during which the officer had opted out of the Scheme is transferred into the Scheme, all actual service may then count towards the minimum periods required to qualify for benefits under the Scheme, as though that service had been entirely within the Scheme, but the benefit will be calculated in two stages as follows:

(a) according to rank and length of service prior to opting out of the scheme; and

(b) according to rank and the sum of the transfer value of the service transferred into the Scheme and the actual service completed after rejoining the Scheme.

If service during which the officer had opted out of the Scheme is not transferred into the Scheme, only service within the Scheme may count towards the minimum periods required to qualify for benefits under the Scheme, and the benefit will be calculated in two stages as previously.

(5) Where an officer was ineligible to join or rejoin the Armed Forces Pension Scheme and subsequently becomes eligible, then provided he applied to join or rejoin at the earliest opportunity, all actual service may then count both towards the minimum period required to qualify for benefits under the Scheme and in calculating the amount of benefit payable. The accrued benefits in any other pension scheme of which he was a member may either be frozen as from the date of application to

join or rejoin the Armed Forces Pension Scheme, and held as a personal asset, or, in the case of a contributory scheme, he may take a refund of the contributions paid.

(6) Qualifying service will NOT include the periods listed below, which are also NOT reckonable for benefits in the Scheme.

- (a) Service forfeited by desertion unless such service is subsequently restored.
- (b) Any period for which pay is forfeited for reasons related to service discipline.
- (c) Any period of unpaid leave, except as specifically authorised elsewhere in these regulations.
- (d) Any period during which the officer was authorised to take an unpaid career break.
- (e) Any period of absence without leave.
- (f) Any period during which the officer opted out of the Armed Forces Pension Scheme in favour of membership of any other pension scheme or arrangement.

**2928A. Qualifying and Reckonable service in relation to Maternity, Adoption, Paternity and Parental Leave.** *Sponsor: SPP(Pens)*

**(1) Maternity Leave-**

- (a) The following time periods will count as both qualifying and reckonable service:
  - (i) For an officer whose baby was due on or after 16 October 1994, but before 30 April 2000, the first 18 weeks of maternity leave.
  - (ii) For an officer whose baby was due on or after 30 April 2000, but before 6<sup>th</sup> April 2003, the first 18 weeks of maternity leave.
  - (iii) For an officer whose baby was due on or after 6<sup>th</sup> April 2003, the first 26 weeks of maternity leave.

The periods of leave at (i) to (iii) above will be referred to as 'Ordinary Maternity Leave' (OML) subject to the relevant terms and conditions defined in Defence Council Instruction (DCI) JS 99 2001, DCI JS 05 2003 and single Service regulations as amended.

(b) Any additional pension benefit/supplement within the AFPS to which the officer may be entitled will be unaffected by her taking OML.

(c) 'Additional Maternity Leave' (AML) counts as qualifying service, but will not count as reckonable service. The following time periods will constitute AML subject to the relevant terms and conditions defined in Defence Council Instruction (DCI) JS 99 2001, DCI JS 05 2003 and single Service regulations as amended:

- (i) For an officer whose baby was due on or after 1<sup>st</sup> June 2001, but before the 6<sup>th</sup> April 2003, AML must end no later than 29 weeks from the birth of the child.
- (ii) For an officer whose baby was due on or after 1<sup>st</sup> June 2001, but before the 6<sup>th</sup> April 2003, any official extension to the AML period under the 'Enhanced Maternity Leave' arrangements, up to 37 weeks from the birth of the child.
- (iii) For an officer whose baby was due on or after the 6<sup>th</sup> April 2003, 26 weeks from the end of OML.

(d) Where a commission is extended by the period of service equivalent to AML for the purposes of obtaining the required reckonable service to be eligible for an immediate pension, this extended period of service will count as both qualifying and reckonable service for pension purposes.

(e) With effect from 23 June 1994, a period during which an officer is in receipt of statutory maternity pay, even where this period occurs after the date of her retirement will count as both qualifying and reckonable service.

(f) If an officer does not complete her engagement after OML/AML, her award under the AFPS will be at the voluntary retirement rate. See: AFPS 75 Pension Codes for Premature Voluntary Retirement rates.

**(2) Adoption Leave.**

(a) For an officer (male or female), who is not taking 'Paternity Leave' (Adoption) and who is notified of being matched with a child on or after 6<sup>th</sup> April 2003, or with whom a child is placed for adoption on or after that date, the first 26 weeks of 'Adoption Leave' will count as both qualifying and reckonable service.

The other parent (male or female) in the case of adoption, who is not taking 'Adoption Leave' will be eligible for 'Paternity Leave' (See: para **2928A**, (3)). The 'Adoption Leave period' defined above will henceforth be termed as 'Ordinary Adoption Leave' (OAL) and will be subject to the relevant terms and conditions defined in Defence Council Instruction (DCI) JS 40 2003, and single Service regulations as amended.

(b) 'Additional Adoption Leave' (AAL) counts as qualifying service, but will not count as reckonable service. The following time periods will constitute AAL subject to the relevant terms and conditions outlined in Defence Council Instruction (DCI) JS 40 2003 and single Service regulations as amended.

(i) For an officer who is notified of being matched with a child on or after the 6<sup>th</sup> April 2003, or with whom a child is placed for adoption on or after that date, up to 26 weeks leave from the end of OAL.

(c) Any additional pension benefit/supplement within the AFPS to which the officer may be entitled will be unaffected by taking OAL.

(d) Where a commission is extended by the period of service equivalent to the AAL for the purposes of obtaining the required reckonable service to become eligible to an immediate pension, this extended period of service will count as both qualifying and reckonable service for pension purposes.

(e) If an officer does not complete his commission after OAL/AAL, the award under the AFPS will be at the voluntary retirement rate. See: AFPS 75 Pension Codes

**(3) Paternity Leave.**

(a) An officer whose baby was due on or after 6<sup>th</sup> April 2003 or, in the case of adoption, an officer (male or female) who is not taking 'Adoption Leave' and is notified of being matched with a child on or after 6<sup>th</sup> April 2003, or with whom a child is placed for adoption on or after that date, will be eligible to take 2 weeks 'Paternity Leave', subject to the relevant terms and conditions defined in DCI JS 41 2003, and single Service regulations as amended. 'Paternity Leave' counts as both qualifying and reckonable service.

(b) Any additional pension benefit/supplement within the AFPS for which the officer may be entitled will be unaffected by taking 'Paternity Leave'.

**(4) Parental Leave & Prenatal Leave-**

(a) 'Parental Leave' and 'Prenatal Leave' counts as qualifying service, but will not count as reckonable service. 'Parental Leave' will be subject to the terms and conditions defined in Defence Council Instruction (DCI) DCI JS 153 2001, DCI JS 79 2002, DCI JS 06 2003 and single Service regulations as amended. 'Prenatal Leave' will be subject to the terms and conditions of DCI JS 99 2001, DCI JS 05 2003 and single Service regulations as amended.

**2929. Reckonable Service for Retired Pay.**

*Sponsor: SPP(Pens)*

Reckonable service for retired pay shall be all qualifying service, as defined in para **2928**, given after attaining age 21 up to a maximum of 34 years except service during which an officer has opted out of the Armed Forces Pension Scheme.

**2930. Adjustments for Previous Service.**

*Sponsor: SPP(Pens)*

(1) For previous service for which an officer receives a service gratuity, and for any previous service other than service in the RN, the RM, the Army or the RAF, it may be stipulated as a condition for allowing such service to count as qualifying or reckonable service, that the officer shall make a payment to Air Force Funds, in a lump sum, at the onset of his appointment to a pensionable commission. In default of such payment as has been stipulated, the previous service shall not be allowed.

(2) Where an officer received a gratuity in respect of previous service and the officer re-enters the Service on or after 1 December 1998, that former service may qualify for non-effective benefits, provided the gratuity is refunded within the first year of transferring to a pensionable commission, whether in a lump sum, by 12 equal payments or by a combination of the two. The arrangements for refunding must be made at the time of entry into pensionable commission. The amount of the refund shall be the full gratuity plus interest at the base rate, calculated on a monthly basis, from the day after the last day of service in respect of which the gratuity has been awarded, to the day before the date of re-entry. Where the break in service is one month or less no interest is payable. For the purposes of this paragraph, the term 'base rate' means the rate for the time being quoted by the reference banks as applicable to sterling deposits or, where there is for the time being more than one such base rate, the rate which, when the base rate quoted by each bank is ranked in a descending sequence of four, is first in the sequence; and the term 'reference banks' means the largest institutions for the time being which:

- (a) are authorised by the Bank of England under Banking Acts 1987;
- (b) are incorporated in, and carrying on within the United Kingdom, a deposit-taking business (as defined in Section 6, and subject to any order under Section 7 of that Act, and
- (c) quote a base rate applicable to sterling deposits.

(3) Previous service which has been credited to another pension scheme by means of a transfer value will not count as qualifying or reckonable service unless a subsequent transfer value payment has been made to the Armed Forces Pension Scheme in respect of that service.

(4) Where, during his Active List service, an officer continues in receipt of retired pay or other analogous award payable for previous service allowable as qualifying service under the terms of para 2928, any award under the provision of this Section shall be of such amount as the Defence Council may determine, provided that it shall not exceed the difference between the award for which he is already in receipt and the award for which he would otherwise be eligible.

**2931. Purchase of Added Years and Service Credited by Transfer Payment.**

*Sponsor: SPP(Pens)*

(1) An officer may be eligible to purchase "notional" years of service which may be added to the service which he has actually given to reckon in the calculation of his retired pay.

(2) An officer in respect of whom a transfer payment is accepted from a former pension scheme may be credited with such reckonable service as corresponds to the amount of the transfer payment received.

(3) Purchased added years and service credited by a transfer payment will not count towards the minimum period of reckonable service necessary for the award of retired pay.

(4) Where previous service that was credited to another pension scheme by means of a transfer value has been transferred back in to the Armed Forces Pension Scheme, that previous service will count in accordance with the normal rules towards the minimum qualifying period of payment of retired pay. The service credited from the incoming transfer value will reckon towards retired pay. Where the minimum qualifying period is met but the total reckonable service including the service credited from the transfer value is less than 16 years, the retired pay will be awarded pro rata on the 16 year rate.



**2932. Rank for Retired Pay Purposes.**

*Sponsor: SPP(Pens)*

Subject to the provisions of para **2933**, the rank for retired pay purposes shall be the substantive rank held by the officer on his retirement, provided that, unless he is invalided, the rank has been held on the Active List for the under-mentioned minimum periods:

Air Chief Marshal	1 year
Air Marshal and lower ranks	2 years

*Note. Separate rules, shown at paragraph 2922, apply for those Senior Regular Officers, who meet the special qualifying terms shown therein.*

If the substantive rank has been held for less than the specified period, the rank for retired pay purposes shall be the highest substantive rank which satisfies the condition, any periods served in a higher substantive rank being included in the calculation of the specified period. For retired pay purposes Flight Lieutenant (Specialist Aircrew) is considered a separate substantive rank.

**2933. Additions to Retired Pay for Service in Paid Higher Rank.**

*Sponsor: SPP(Pens)*

(1) If an officer has, for a minimum of one year, held substantive or paid acting or temporary rank higher than his rank for retired pay purposes as defined in para **2932**, he may be awarded an addition to the retired pay for which he is otherwise eligible, calculated as follows:

(a) Substantive rank: for the minimum of one year in substantive rank may be added one half of the difference between the retired pay for which the officer is otherwise eligible and the retired pay for which he would have been eligible if his rank for retired pay purposes had been one rank higher, with additional days counted proportionately.

(b) Paid Acting or Temporary Rank: for each year in paid acting or temporary rank (subject to a minimum of one year and a maximum of three) may be added one third of the difference between the retired pay for which the officer is otherwise eligible and the retired pay for which he would have been eligible if his rank for retired pay purposes had been one rank higher, with additional days counted proportionately.

(2) Where an officer has held both substantive and paid acting or temporary rank higher than his rank for retired pay purposes, the substantive rank service may, if it is to his advantage, be added to, and treated as, paid acting or temporary rank service for the purpose of assessing the addition to retired pay.

(3) The Defence Council may fix a date after which periods in acting and temporary rank may no longer count for additions to retired pay.

**2934. Rates of Service Retired Pay.**

*Sponsor: SPP(Pens)*

(1) The annual rates of Service Retired Pay are detailed in the AFPS 75 Pension Codes.

(2) The maximum rates of retired pay will be those appropriate to 34 years' reckonable service, (except that, for those becoming a member of the Armed Forces Pension Scheme on or after 1 June 1989, no account will be taken when determining pensionable pay, of any amount which exceeds the Earnings Cap.

(3) Rates of retired pay for any period of reckonable service less than a complete year will be calculated proportionately in days. The award will be assessed on the number of years of reckonable service completed with an addition for each further day of 1/365 of the increase which would have been admissible had the officer served to complete the further year.

(4) An award of Service retired pay made to medical and dental officers on or after 1 April 1997 shall be augmented by the addition of a pension supplement at the rates specified in the AFPS 75 Pension Codes. This pension supplement is a daily rate for each day served on or after 1<sup>st</sup> April 1997. Where an officer is invalided attributably or non-attributably, and the appropriate invaliding pension code is lower than a pension calculated in this way, then the normal rate of retired pay shall apply.

(5) With effect from 1 April 2003, the pension benefits of Professional Aviators will also be augmented by the addition of a pension supplement at the rate specified in the AFPS 75 Pension Codes.. Where an airman is invalided attributably or non-attributably, and the appropriate invaliding pension code is lower than a pension calculated in this way, then the normal rate of retired pay shall apply.

**2935. Retirement of any Officer for Age or Non-employment.**

*Sponsor: SPP(Pens)*

Pension benefits will be payable at the Compulsory retirement rate for an officer holding a permanent commission who:

- (1) Retires on or after reaching his normal age for retirement (see AP 3393).
- (2) Is retired compulsorily before reaching that age, following a decision that further employment is not available to him.
- (3) Retires, or is called upon to retire or resigns for unsuitability or inefficiency due to cause not within his own control.
- (4) Is retired compulsorily in the interests of the Service.
- (5) Elects to retire on reaching his optional retirement date (see AP 3393) may, provided he has completed at least 16 years' reckonable service, be granted retired pay, at the compulsory retirement rate set out in AFPS 75 Pension Codes..

**2936. Voluntary Retirement.**

*Sponsor: SPP(Pens)*

(1) An officer who, on appointment to a permanent commission, is permitted to count previous service for non-effective benefits, and who is permitted to retire at his own request, will not be eligible for any of the immediate non-effective benefits applicable to officers serving on permanent commissions unless in addition to the necessary qualifying or reckonable service he has completed at least five years' service after the date of appointment to a permanent commission. However, provided he has the necessary service to qualify, he may be awarded a service pension and terminal grant, at Warrant Officer rates, based on his total qualifying service as if he had remained in the ranks. This award may be replaced at pension benefit age by an officer's rate of preserved pension if it would be to his advantage.

(2) Subject to clause (1), an officer with at least 16 years reckonable service who retires at his own request before reaching the normal retirement age for his rank (see AP 3393) may be awarded Service Retired Pay at the premature voluntary retirement rate set out in AP 3392. Officers completing 16 or more years reckonable service on or before 30 September 1985 may, if it is to their advantage, have their retired pay assessed as follows:

- (a) If he retires before attaining age 43 - at the Compulsory Retirement rate appropriate to his rank and service reduced by 10 per cent but not less than the rate applicable to a flight lieutenant retired compulsorily within 16 years' reckonable service.
- (b) If he retires on or after attaining age 43 and before attaining age 50 - at the Compulsory Retirement rate appropriate to his rank and service reduced by 5 per cent but not less than the rate applicable to a flight lieutenant retired compulsorily with 16 years' reckonable service.
- (c) If he retires on or after attaining age 50, at the Compulsory Retirement rate appropriate to his rank and service.
- (d) A flight lieutenant specialist aircrew retiring voluntarily having completed more than 16 but less than 18 years' reckonable service may receive the rate applicable to a flight lieutenant retired compulsorily with 16 years' reckonable service. A flight lieutenant specialist aircrew retiring voluntarily having completed 18 years' or more reckonable service may receive the rate calculated according to the conditions of clause (2)(a), (b), or (c) as appropriate.

**2937. Voluntary Resignation of Commission.**

*Sponsor: SPP(Pens)*

An officer who resigns his commission voluntarily will not be eligible for the award of retired pay. But if the officer has completed at least sixteen years reckonable service an award of retired pay may be made at the discretion of the Defence Council, at such rate as they may determine but not exceeding the Premature Voluntary retirement rate of Service Retired Pay set out in AFPS 75 Pension Codes..

**2938. Invaliding.**

*Sponsor: SPP(Pens)*

(1) The rates of Service Invaliding Retired Pay and Service Attributable Retired Pay which may be awarded are as set out in the AFPS 75 Pension Codes.

(1A) In this paragraph, a reference to a 'degree of disability' means the assessment of the degree of disablement made by the Veterans Agency in accordance with Article 9 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 ("the Service Pensions Order") in respect of any injuries or conditions which directly resulted in the individual being invalided from service.

(2) Unless the Defence Council decide otherwise, an officer who is invalided from the Service having completed:

(a) at least 5 years' qualifying service as defined in para **2928** (of which at least 2 must have been served from age 21) may be awarded Service Invaliding Retired Pay at the rate appropriate to his rank and length of service.

(b) between 2 and 5 years service over the age of 18, may be awarded an invaliding pension calculated at the Standard Retired Pay rate. Where however these years of service fall mostly or wholly before the age of 21, the invaliding pension will be based on the best of the following:

(i) Reckonable service as defined in para **2929** at the Standard Retired Pay rate, or

(ii) Qualifying service as defined in para **2928** at the requisite benefit rate in cases where the Defence Council so decide, the award and amount of Service Invaliding Retired Pay shall be at their discretion.

(3) This subparagraph applies where the officer's disability arises on or before 31<sup>st</sup> March 2004. Unless the Defence Council decide otherwise, an officer who is invalided from the Service as the result of a disability which is accepted by the Veterans Agency as attributable to or aggravated by his service, including one who has opted out of the Armed Forces Pension Scheme, and where the degree of disability is assessed at 20 per cent or more, may be awarded Service Attributable Retired Pay. This shall be either the award for which he is eligible under clause (2) of this para or the minimum rate of Service Attributable Retired Pay appropriate to his rank and percentage of disability, whichever is the greater. Service Attributable Retired Pay may be awarded irrespective of length of service but is subject to adjustment or cessation as provided for in clause (4). In cases where the Defence Council so decide the award and the amount of Service Attributable Retired Pay shall be at their discretion.

(3A) This subparagraph applies where the officer's disability arises on or after 1<sup>st</sup> April 2004. Unless the Defence Council decide otherwise, an officer who is invalided from the service as the result of a disability for which he is entitled to the payment of a war disablement pension under Article 10 of the Service Pensions Order by virtue of the degree of disability (as defined in 2938(1A)) assessed as at the date of invaliding being 20% or more, and which is accepted by the Defence Council, on a balance of probabilities, as attributable to or significantly aggravated by service, may be awarded Service Attributable Retired Pay. This shall be either the award for which he is eligible under clause (2) of this paragraph or the minimum rate of Service Attributable Retired Pay appropriate to his rank and percentage of disability, whichever is the greater. Service Attributable Retired Pay may be awarded irrespective of length of

service but is subject to adjustment or cessation as provided for in clause (4). In cases where the Defence Council so decide the award and the amount of Service Attributable Retired Pay shall be at their discretion. This subparagraph applies regardless of whether the officer has opted out of the Armed Forces Pension Scheme.

(3B) Where the officer was invalidated on or after 1 January 2000 due to a disability which is not accepted as attributable to or aggravated by service under subparagraph (3) or (3A) above, but has another disability which is accepted by the Defence Council, on a balance of probabilities, as attributable to or significantly aggravated by service, and which the Defence Council accepts would itself have led to invaliding, the Defence Council may decide to consider such disability for the purposes of determining eligibility for Service Attributable Retired Pay under subparagraph (3) or (3A).

(4) Where an officer is granted Service Attributable Retired Pay, the award will be adjusted upwards or downwards (but not below the rate of Service Invaliding Retired Pay to which he may otherwise be eligible) during the first 12 months following retirement according to the degree of disability. Thereafter the award will be adjusted only if the degree of disability rises or when it falls below 20 per cent. The revised rate of Service Attributable Retired Pay will be the rate appropriate to the new degree of disability, payable under the pension code in force when the officer retired, increased as appropriate by Pensions (Increase) Measures. Payment of Service Attributable Retired Pay will cease where the degree of disability falls below 20 per cent. However, in such a case payment of Service Invaliding or Standard Retired Pay may continue where the officer qualifies for it under the terms of clause (2).

(5) If an award of unemployability supplement is made by the Veterans Agency to an officer during the first 12 months following his invaliding, or following the date of determination of attributability by the Veterans Agency if later, any award of Service Attributable Retired Pay at the minimum rate will be abated by the amount of the supplement but not below the rate of Service Invaliding or Standard Retired Pay to which the officer may otherwise be eligible.

(6) Where an officer receives any compensation for any disability which led to him being awarded benefits under subparagraph (3) or (3A), an adjustment may be made to the excess of the minimum rate of Service Attributable Retired Pay over the appropriate rate of Service Invaliding Retired Pay at the discretion of the Defence Council.

(7) Where an officer has opted out of the Armed Forces Pension Scheme and into a personal pension plan, the award of Service Attributable Retired Pay under paragraph 2938(3) or (3A) may be abated by any benefits payable from the personal pension plan, unless the officer is eligible for a more favourable award in accordance with sub-paragraph (2) of this paragraph, in which case the latter will be paid unabated.

(8) Where an officer is invalidated wholly or partly as a result of his own negligence, misconduct or other matter within his own control, any award of Service Attributable Retired Pay under subparagraph (3) or (3A) may be withheld or reduced to the extent that the Defence Council decides is appropriate.

(9) If an award of unemployability supplement under Article 18 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 is made to an officer during the first 12 months following his invaliding, or following the date of a determination of attributability by the Veterans Agency if later, any award at the minimum rate of Service Attributable Retired Pay will be abated by the amount of the supplement, but will not be reduced below the rate of Service Invaliding Retired Pay to which the officer may otherwise be eligible under subparagraph (2).

**2939. Retirement or Resignation for Causes Within the Officer's Control.** *Sponsor: SPP(Pens)*

An officer who is retired or called upon to resign for inefficiency, unsuitability or other reasons within his own control, but not amounting to misconduct, and having at least sixteen years' reckonable service may be awarded retired pay at the standard rate of premature voluntary retirement rate of Service Retired Pay set out [AFPS 75 Pension Codes](#).

**2940. Removal for Misconduct.** *Sponsor: SPP(Pens)*

Forfeiture of benefits may occur in the circumstances outlined in [para 3140](#). The rate of retired pay awarded to an officer who is removed or called upon to resign for misconduct, or who is dismissed the Service may be the premature voluntary retirement rate of Service Retired Pay set out in [AFPS 75 Pension Codes](#).

These rates of retired pay may also be awarded to officers who have left service under a different mode of exit but are retrospectively discharged due to misconduct.

**2941. Revision of Retired Pay at Pension Benefit Age.**

*Sponsor: SPP(Pens)*

Retired pay awarded to an officer under paras **2937**, **2938(2)** and (3), **2939** and **2940** may, if it is to his advantage, be revised to the level of preserved pension for his rank and length of service under the provisions of Chapter 40, para 3061, when he reaches pension benefit age.

**2942. Commutation of Retired Pay.**

*Sponsor: SPP(Pens)*

**Life Commutation Scheme**

(1) Under this scheme an officer who gave service on or before 31 March 1978 may be permitted on the recommendation of the Defence Council to commute for life a portion of his retired pay awarded in respect of his reckonable service given before 6 April 1980.

(2) Officers may be permitted to commute a portion of their retired pay under the life commutation scheme and the resettlement commutation scheme set out in Chapter 49, but up to age 55 these will normally be separate options.

(3) Application to commute under this Scheme must be made before the pension or retired pay is in payment and must be made in writing.

(4) During time of war commutation by an officer who is eligible for employment on the Active List will not be permitted. It will also not be permitted where an officer has applied, or intends to apply, to re-join the Armed Forces.

(5) The following awards are not commutable:

- (a) Service attributable retired pay except where the officer is otherwise eligible for an award of service invaliding retired pay in which case he may be permitted to commute a portion of that award;
- (b) Any proportion of retired pay based on purchase of added years, service bought in by transfer value or Additional Voluntary Contributions of any kind;
- (c) Additions to pensions authorised under the provisions of pension increases regulations;
- (d) Preserved awards.

(6) Application forms and further details of the commutation scheme can be obtained on request from the Service Personnel and Veterans Agency (Glasgow).

**2943. (Omitted)**

**SECTION 4 - TERMINAL GRANTS, DEATH IN SERVICE GRATUITIES, ATTRIBUTABLE INVALIDING GRATUITIES, ADDITIONAL ATTRIBUTABLE GRATUITIES, SPECIAL CAPITAL PAYMENTS**

**2944. Terminal Grants.**

*Sponsor: SPP(Pens)*

(1) Subject to clauses (2) and (3), an officer awarded Service Retired Pay, Service Invaliding Retired Pay or Invaliding Pension may be awarded a terminal grant assessed at 3 times the annual rate of this award. Where an officer has been granted the minimum rate of Service Attributable Retired Pay under para **2938(3)** he may be awarded a terminal grant only if he is otherwise eligible for an award of Service Invalidity Pension and assessed at 3 times the annual rate of that award.

(2) Any terminal grant awarded to an officer whose Active List service is terminated in the circumstances referred to in paras **2937**, **2939** and **2940** will be at the discretion of the Defence Council.

(3) Where the retired pay awarded to an officer is increased to the level of a preserved pension at pension benefit age under para **2941** he may, in addition, be awarded a further terminal grant equal to the difference between the terminal grant preserved at the date of retirement, increased by appropriate pensions increase awards.

(4) Where an officer eligible for an increase in retired pay under para **2941** dies before reaching pension benefit age, a further terminal grant calculated as in clause (3) may be paid into his estate.

**2945. Death in Service Gratuities.**

*Sponsor: SPP(Pens)*

A lump sum payment will be made to the estate of an officer who dies in Service leaving neither an eligible surviving spouse, surviving civil partner nor eligible children. This sum will be equal to twice the annual rate of full career pension for his rank, or the terminal grant he would have received had he been invalided on the day he died, whichever is greater. To calculate the lump sum for a Chaplain with less than 20 years' reckonable service the maximum retired pay rate used will be the rate for a squadron leader. Subject to restrictions imposed by the Pensions Act 1995, any public debts outstanding at the time of death will be recoverable from the gratuity.

**2946. (Omitted)**

**2947. Attributable Invaliding - Less than 2 years qualifying service.**

*Sponsor: SPP(Pens)*

For the avoidance of doubt, an officer is not entitled to an attributable invaliding gratuity under this paragraph if he is entitled to the payment of benefits under the Armed Forces Compensation Scheme 2005 (established under s.1(2) of the Armed Forces (Pensions and Compensation) Act 2004 (c.32)) in respect of the same condition.

(1) This subparagraph applies where the officer's disability arises on or before 31<sup>st</sup> March 2004. Unless the Defence Council decide otherwise, an officer who is invalided with less than 2 years' qualifying service as the result of a disability which is accepted by the Veterans Agency as attributable to or aggravated by service, may be paid either:

(a) where the degree of disability assessed on invaliding (as defined in paragraph 2938(1A)) is 20% or more, an attributable gratuity at the rates shown in the AFPS 75 Pension Codes, or

(b) where the degree of disability assessed on invaliding (as defined in paragraph 2938(1A)) is between 1 and 19%, a gratuity calculated on the length of qualifying service given pro rata to 2 years, at 30% of the 34 year rate of Service Retired Pay for the rank, but not less than 15% of the 34 year rate of Service Retired Pay.

(2) This subparagraph applies where an officer's disability arises on or after 1<sup>st</sup> April 2004. Unless the Defence Council decide otherwise, an officer who has less than 2 years' qualifying service and who is invalided from service as the result of a disability which is accepted by the Veterans Agency for the purposes of the Service Pensions Order as attributable to or aggravated by service and which is accepted by the Defence Council, on a balance of probabilities, as attributable to or significantly aggravated by service, may be paid either:

(a) where the degree of disability assessed on invaliding (as defined in paragraph 2938(1A)) is 20% or more, an attributable gratuity at the rates shown in the AFPS 75 Pension Codes; or

(b) where the degree of disability assessed on invaliding (as defined in paragraph 2938(1A)) is between 1 and 19%, a gratuity calculated on the length of qualifying service given pro rata to 2 years, at 30% of the 34 year rate of Service Retired Pay for the rank, but not less than 15% of the 34 year rate of Service Retired Pay.

**2948. Additional Attributable Gratuities.**

*Sponsor: SPP(Pens)*

(1) This subparagraph applies where the officer's disability arises on or before 31<sup>st</sup> March 2004. Unless the Defence Council decide otherwise, an officer who is invalidated from service as the result of a disability which is accepted by the Veterans Agency as attributable to or aggravated by service, and where the degree of disability assessed on invaliding (as defined in 2038 (1A)) is 20% or more, may be granted an Additional Attributable Gratuity at the rates set out in the AFPS 75 Pension Codes. This shall be in addition to any award of terminal grant or invaliding gratuity to which he may be entitled. In cases where the Defence Council decide, the award and amount of the Additional Attributable Gratuity shall be at their discretion.

(2) This subparagraph applies where the officer's disability arises on or after 1<sup>st</sup> April 2004. Unless the Defence Council decide otherwise, an officer who is invalidated from service as the result of a disability for which he is entitled to the payment of a war disablement pension under Article 10 of the Service Pensions Order by virtue of the degree of disability (as defined in 2938(1A)) assessed as at the date of invaliding being 20% or more, and which is accepted by the Defence Council, on a balance of probabilities, as attributable to or significantly aggravated by service, may be granted an Additional Attributable Gratuity at the rates set out in the AFPS 75 Pension Codes. This shall be in addition to any award of terminal grant or invaliding gratuity to which he may be entitled. In cases where the Defence Council decide, the award and amount of the Additional Attributable Gratuity shall be at their discretion.

(3) For the avoidance of doubt, an officer is not entitled to an additional attributable gratuity under this paragraph if he is entitled to the payment of benefit under the Armed Forces Compensation Scheme (established under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004 (c.32)) in respect of the same condition.

**2949. Optants out of the Armed Forces Pension Scheme.**

*Sponsor: SPP(Pens)*

An officer who has opted out of the Armed Forces Pension Scheme may qualify for the award of a gratuity under para **2947** and **2948** above but this will be abated by any lump sum payable from a personal pension plan.

**2950. Special Capital Payments.**

*Sponsor: SPP(Pens)*

Details of Special capital payments which may be awarded to officers retired as redundant are given in Chapter 44.

**2951-2963.** (Omitted)

**SECTION 5 - RETIRED PAY AND TERMINAL GRANTS OF RETIRED OFFICERS RE-EMPLOYED**

**2964. Employment of Retired Officers.**

*Sponsor: SPP(Pens)*

(1) An officer in receipt of retired pay will, until he reaches the normal service retirement age (of 55), have his service retired pay abated in accordance with para **2965** for so long as he is employed by the MOD or the Cabinet Office as a Principal Retired Officer, Retired Officer Grade 1, 2 or 3, or by the Royal Air Force, Army or Royal Navy and Royal Marine Sports Boards.

(2) Abatement will cease automatically once the officer reaches age 55.

**2965. Assessment of Abatement.**

*Sponsor: SPP(Pens)*

(1) As from 1 October 1986 retired pay is to be reduced so that the total remuneration by way of Service Retired pay and salary received on the day of taking up a Retired Officer appointment does not exceed the annual rate of basic military salary in issue on the last day of service in the Royal Air Force. The abatement will be calculated as follows:

$$A=B+C-D$$

where

A is the amount of the abatement.

B is the Service Retired Pay Base Rate on the date of appointment to the Retired Officer Grade inclusive of any sum commuted and Pensions Increase, if payable, assessed as if commutation had

not taken place.

C is the Retired Officer Grade salary plus London Weighting (if any) on date of appointment to the Retired Officer Grade.

D is the basic Military Salary in issue on the last day of service, dynamised where necessary by Pensions Increase factors with operative dates up to, on, or subsequent to the date of retirement and up to the date of taking up the appointment in the Retired Officer Grade.

Where the formula produces a negative result, there will be a nil abatement.

(2) Once the abatement has been determined it is not subject to re-calculation for the duration of the appointment but in the event of re-appointment under a new contract, or on change of grade, the abatement is re-assessed under the formula in Clause (1) above and on the basis of the new circumstances.

**2966. Reserved Rights.**

*Sponsor:SPP(Pens)*

An officer who took up his current Retired Officer Grade appointment before 1 October 1986 is eligible to opt either:

- (1) to continue to receive retired pay abated in accordance with the rules in force before 1 October 1986 for the remainder of his current Retired Officer appointment; or
- (2) for re-assessment of his abatement with effect from 1 October 1986 under the formula in Clause (1) para **2965**.

In the event of re-appointment under a new contract or on change of grade, an officer who exercises option (1) will have his abatement re-assessed under Clause (1) para **2965**.

**2967-2979.** *(Omitted)*

**SECTION 6 - GRATUITIES FOR OFFICERS ON SHORT SERVICE COMMISSIONS**

**2980. Applicability of Regulations.**

*Sponsor:SPP(Pens)*

With the exception of members of the PMRAFNS, serving on gratuity earning terms, this section applies only to those officers commissioned before 1 April 89 (or those with reserved rights) who have not exercised their option to transfer to pension earning terms.

**2981. Eligibility for Gratuity.**

*Sponsor:SPP(Pens)*

An officer shall not be eligible for an award of gratuity unless the Defence Council is satisfied with his conduct as an officer and with the manner in which he has performed his duties.

**2982. Reckonable Service.**

*Sponsor:SPP(Pens)*

Service reckonable for a gratuity shall be all service on full pay (up to a maximum of 8 years or 12 years in the case of aircrew) given by an officer while holding the short service commission for which he was appointed.

**2982A. Maternity, Adoption & Paternity Leave.**

*Sponsor:SPP(Pens)*

Any period of paid 'Maternity Leave' (Ordinary Maternity Leave- OML), 'Adoption Leave' (Ordinary Adoption Leave- OAL) or 'Paternity Leave', whether at the statutory minimum, reduced or full pay rate, constitutes both qualifying and reckonable service for the purpose of calculating any Short Service Gratuity payable, subject to the relevant terms and conditions defined in Defence Council Instruction (DCI) JS 99 2001, and single Service regulations as amended.

The Short Service Gratuity awarded to an officer serving on a gratuity-earning commission, where that officer decides to retire as a result of pregnancy or of the adoption of a child, or does not complete his/her commission after OML and 'Additional Maternity Leave' or OAL and 'Additional Adoption Leave' will be calculated at the Premature Voluntary Retirement rate if more than six months remain before the conclusion of the period of service to which committed.



**2983. Rates of Gratuity.**

*Sponsor: SPP(Pens)*

(1) On satisfactory completion of his short service commission an officer will be eligible for a gratuity for each complete year of reckonable service at the rate set out in AFPS 75 Pension Codes, increased, where his reckonable service includes a period of less than a complete year, by 1/365th of the rate per complete year of each day of that period.

(2) Where retirement occurs before completion of a specified return of service obligation, the gratuity payable to a Medical or Dental Officer who served as a Cadet before appointment to a short service commission will be abated by a sum equivalent to the amount of the education grant received during his cadetship (net of an assessed amount of income tax and tuition fees).

**2984. Premature Termination of Service.**

*Sponsor: SPP(Pens)*

(1) Should an officer fail to complete the full period of Active List service which he has undertaken, an award may nevertheless be made as follows:

(a) Voluntary Termination of Service

(i) An officer who is permitted to transfer to the Reserve within six months of the completion of the full period of the short service commission for which he was appointed; and

(ii) A female officer commissioned before 1 April 1984 who, after a minimum of six months productive officer service, is permitted to leave the Active List on marriage or on account of family compassionate circumstances accepted by the Defence Council as necessitating termination of Active List Service; may be awarded the full gratuity for the reckonable service given.

(iii) In cases where the last day of full paid service falls on or after 1 October 1993 female officers who are permitted to resign for compassionate reasons or on marriage will, if their gratuity-earning commission is terminated 6 months or more in advance of the full period of service undertaken, have their gratuity calculated in accordance with para **2984(2)(a)**.

(b) Compulsory Termination of Commission. An officer whose service is terminated on account of unsuitability or inefficiency not due to causes within his own control may, at the discretion of the Defence Council, be awarded the full gratuity for his reckonable service.

(c) Invaliding

(i) An officer who is invalided may, at the discretion of the Defence Council, be awarded the full gratuity for his reckonable service.

(ii) An officer who is invalided may, at the discretion of the Defence Council, be awarded Service Attributable Retired Pay in accordance with paragraphs 2938(3) or (3A) (depending on when his disability arose) in addition to the full gratuity for his reckonable service. Any such award of Service Attributable Retired Pay shall be subject to subparagraphs 2938 (3B)-(8). He may also be granted an Additional Attributable Gratuity in accordance with paragraph 2948(1) or (2).

(iii) Where an officer has an entitlement to a preserved pension (as a result of other ranks pensionable service) this may be paid at pension benefit age (or earlier if the individual becomes incapacitated for further employment) or transferred to another scheme, in addition to the payment of Service Attributable Retired Pay.

(2) In all other cases, an officer will not be eligible for a gratuity before completion of at least one year of satisfactory service of which at least six months must have been productive officer service. Subject to completion of this period of qualifying service:

(a) A female officer commissioned on or after 1 April 1984 who is permitted to leave the Active List on marriage may be awarded a gratuity for her reckonable service calculated as follows:

Gratuity which would have been paid on completion of short service commission	x	Number of days served Number of days of the full short service commission	2
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(b) An officer who is permitted to resign his commission or transfer to the Reserve in any circumstances other than at 1(a) above may at the discretion of the Defence Council be awarded a gratuity as follows:

(i) If commissioned before 1 April 1984 - at a rate not exceeding 75% of the full rate for his reckonable service.

(ii) If commissioned on or after 1 April 1984 - at a rate not exceeding the rate calculated as at 2(a) above, except that an officer on a 12 year short service commission who has opted to exercise his 8 year break point, but who subsequently is allowed to leave before completion of 8 years' service, may have his gratuity calculated as though he was serving on a 8 year short service commission only.

(c) An officer whose service is terminated on account of unsuitability or inefficiency due to causes within his own control, or misconduct, may, at the discretion of the Defence Council, be awarded a gratuity at a rate not exceeding that for which he could have been considered had he been permitted to transfer prematurely to the Reserve at his own request.

**2985. Death in Service Gratuity.**

*Sponsor: SPP(Pens)*

A lump sum payment may be made to the estate of an officer who dies in service leaving neither an eligible surviving spouse, surviving civil partner nor eligible children. This will be a sum equal to twice the annual rate of retired pay for an officer of his rank with 34 years' reckonable service, or the amount of gratuity he would have received had he been invalided on the day he died, if this is greater. For a Chaplain the maximum retired pay rate used will be the rate for a squadron leader. Subject to restrictions imposed by the Pensions Act 1995, any public debts outstanding at the time of death will be recoverable from the gratuity.

**2986. Retention on the Active List.**

*Sponsor: SPP(Pens)*

If, under the provision of AP 3393, para **0529**, an officer is retained on the Active List beyond the date when his Active List service is due to expire, the gratuity for which he is eligible will become payable on the date on which it would have been paid had he not been so retained, and his further service will not be reckonable for further gratuity under this Section. He may however be re-appointed at that point to a new Short Service pensionable commission with a minimum duration of 3 years.

**2987. Recognition of Service as Contributory Service under the Teachers' Superannuation Regulations the Scottish and Northern Ireland Teachers' Superannuation Schemes, and the National Health Service Pensions Scheme Regulations.**

*Sponsor: SPP(Pens)*

Service on a short service commission in the Education, Physical Fitness, Medical or Dental Branch or in PMRAFNS may, in certain circumstances, be treated as contributory service under the Teachers' (Superannuation) Acts, or under the NHS Pensions Scheme Regulations, as appropriate. Where service is so treated, those who entered the Royal Air Force on or after 6 April 1987 will be responsible for the payment of both employers and employee contributions direct to the parent superannuation scheme.

**2988. Officers Appointed to Permanent Commissions.**

*Sponsor: SPP(Pens)*

(1) Officers who are appointed to permanent commissions will not be eligible for gratuity, under the provisions of this Section, but, subject to clause (2), their short service commission service will be reckonable towards retired pay under the regulations for permanent commission officers.

(2) When, however, contributions have been paid to protect an officer's civil superannuation rights under the provision of para **2987** the counting of his previous service in respect of which contributions have been paid will be dependent upon the receipt by the Armed Forces Pension Scheme of a transfer value in respect of that service.

## SECTION 7 -PENSIONS AND GRATUITIES FOR GALLANT CONDUCT AND GOOD SERVICE

### **2989. VC and GC Special Annuities.**

*Sponsor: SPP(Pens)*

- (1) An officer who has been awarded the Victoria Cross or George Cross will be granted a special annuity of £1300 a year.
- (2) This pension is effective from 1 August 1959, in the case of the Victoria Cross and 1 April 1965, in the case of the George Cross, or the date of the act of bravery by which the decoration is gained, whichever is the later.
- (3) A special pension granted under this paragraph will be forfeited or restored in accordance with the provisions of the governing warrants.

### **2990. VC and GC Gratuities.**

*Sponsor: PMA(EP)1a(1)(RAF)*

- (1) If an officer has been awarded the Victoria Cross or George Cross posthumously, or the recipient of a special pension under para **2989** dies before the payments of the special pension amount to £50, a gratuity of £50 or a gratuity equivalent to the difference between the total of the special pension payments and £50, as the case may be, will be payable to his legal representative, in respect of holders of the Victoria Cross or credited to the estate of the deceased recipient of the George Cross.
- (2) The provisions of this paragraph apply only to decorations awarded on or after the 3 September 1939, in respect of the Victoria Cross and 1 April 1965, in respect of the George Cross.

**2991-3001.** *(Omitted)*

## SECTION 8 - RANK ON RETIREMENT, RESIGNATION, ETC.

### **3002. Retention of Rank by Officers on leaving the Active List.** *Sponsor: RAF Employment Policy*

- (1) An officer of the regular air force placed on the retired list or on the reserve will be shown in his substantive rank. An officer of the rank of flight lieutenant or above leaving the reserve, or having no reserve liability, may be permitted to use his rank as a courtesy title subject to clauses (6) and (7) and to completion of 3 years service on the Active List.
- (2) Subject to clauses (6) and (7), with effect from 1 January 1956, an officer of the regular air force, other than an officer serving on a national service commission, may be permitted to retain as a courtesy title in civilian life a rank higher than his substantive rank on leaving the Active List, provided that he had held such higher acting rank for an aggregate period of at least two years during his service, or continuously for one year immediately before leaving the Active List. For this purpose, service in a higher acting rank, may if it is advantageous to do so, be counted as service in a lower acting rank.
- (3) Officers who reverted to the rank of flight lieutenant on entering the former Supplementary List may be permitted to retain the substantive rank they held immediately before transfer or appointment to that List.
- (4) As stated in clause (2), these regulations are effective from 1 January 1956, but officers who served during the Second World War, 1939-1945 and for whom the regulations in force before 1 January 1956, are more favourable, will continue to be treated as though the old regulations are still in force (see clauses (5) and (6)).
- (5) Second World War, 1939-1945. The regulations applicable to officers who served during the Second World War, 1939-1945, are as follows:
  - (a) Officers, on leaving the Active List, may be allowed to retain their substantive or war substantive rank, or, if more favourable, either:
    - (i) Their highest temporary or paid acting rank, provided that they have held such rank for an aggregate period of at least six months (For this purpose any periods

of tenure of such rank will be reckoned cumulatively, and service in a higher temporary or paid acting rank may, if it is advantageous to do so, be counted as service in a lower rank, e.g. a flight lieutenant who held the temporary rank of squadron leader for four months and the paid acting rank of wing commander for discontinuous periods aggregating two months, may be allowed to retain the rank of squadron leader)

(ii) Any temporary or paid acting rank held immediately before the beginning of their absence from duty on account of disabilities attributable to air force service, and as a result of which they cease to be employed and relinquish their commissions or are placed on the retired list, etc.

(b) Any period of temporary or paid acting rank held by an officer whilst seconded or attached to another arm of the Service may count towards any applicable time period required for qualification under clause (5) (a).

(c) An officer who, on being taken into employment as an officer during the war relinquished rank previously held, may, on leaving the Active List, resume that rank or may be allowed to retain any higher rank for which he is qualified under this clause.

(d) To be eligible for the retention of rank, officers must have been in receipt of RAF emoluments during their service on the active list and not civilian emoluments.

(e) The provisions of this clause have retrospective effect to 3 September 1939, but service in a paid acting or temporary rank after 10 February 1954, will not count towards the qualifying period defined in (a)(i).

(6) In all cases permission to retain rank will be contingent upon an officer's service having been satisfactory throughout, and the Defence Council reserve the right to withhold or withdraw this privilege at their discretion at any time. Officers who resign their commissions will be dealt with in accordance with para **3005**.

(7) The counting of acting rank for retired pay purposes is governed by separate regulations (see para **2933**) and the grant, under the provisions of clauses 2, 3, 4, 5 and 6 of permission to retain higher acting rank on leaving the active list will not effect an officer's rate of retired pay, nor will it entitle him to recall in the higher rank (see para **3003**). It will permit him to use the courtesy title in civilian life and to wear the uniform appropriate to the higher rank on occasions of ceremony, in accordance with AP 1358 - Dress Regulations for Officers.

### **3003. Relinquishment of Honorary, etc, Rank on Re-employment in Emergency.**

*Sponsor: RAF Employment Policy*

Officers granted honorary rank or allowed to retain the highest temporary, war substantive or acting rank held by them will, on being re-employed during an emergency, relinquish such rank if their appointment during such employment carries a lower rank, unless the Defence Council decide that it is in the interests of the Services that they should retain it.

### **3004. Naval and Military Officers.**

*Sponsor: RAF Employment Policy*

An officer of the RN, RM, or regular Army who, on completion of duty with the RAF returns to his own Service, will do so in his substantive rank in that Service. He may, on retirement from the RN, RM, or regular Army apply to HQ Air Command for permission to retain any air force rank higher than his rank in his parent Service, for which he may be eligible under para **3002**. Any permission to retain rank which may be granted in these circumstances will not confer any title to the gratuity, retired pay or pension corresponding to that rank, nor will it affect any claim which the Navy Department or Army Department may have a right to make on the officer's services after his retirement.

### **3005. Resignation.**

*Sponsor: RAF Employment Policy*

An officer who resigns his commission will not retain any air force rank, except by permission of the Defence Council under directions which the Queen may be pleased to give. It will be competent for the

Defence Council to give or withhold this privilege.

**3006. Withdrawal of Permission to Retain Rank.** *Sponsor: RAF Employment Policy*

It will be competent for the Defence Council at their discretion to cancel any permission which may have been given to an officer to retain rank should any misconduct on his part subsequent to leaving the Service be brought to their notice.

**3007. Enlistment Subsequently.** *Sponsor: RAF Employment Policy*

If an officer who has been granted permission to retain rank enlists in any of HM regular forces, such permission will be cancelled by notice in the London Gazette. On his exit from the force into which he was enlisted he will again be permitted to retain the rank to which he was entitled prior to enlistment, provided that his "enlisted" services have been satisfactory.

**SECTION 9 - ATTRIBUTABLE BENEFITS FOR MEMBERS OF A RESERVE FORCE**

**3008.** *Sponsor: SPP(Pens)*

Reservists who are members of a Reserve Force may be eligible for attributable benefits under the Reserve Forces (Attributable Benefits Etc) Regulations or the Armed Forces Compensation Scheme (established under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004 (c.32)).

**SECTION 9A – ATTRIBUTABLE BENEFITS FOR INDIVIDUALS WHO ARE RECALLED FOR REGULAR ACTIVE SERVICE**

**3008A. Eligibility.** *Sponsor: SPP(Pens)*

This section applies to Royal Air Force Retired Officers who have been recalled for a period of permanent service under Part VII of the Reserve Forces Act 1996.

**3008B. Degree of Disability.** *Sponsor: SPP(Pens)*

A reference to a 'degree of disability' in this section means the assessment of the degree of disablement made by the Veterans Agency in accordance with Article 9 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 in respect of a disability which directly resulted in the individual being invalided from service.

**3008C. Conditions of Award.** *Sponsor: SPP(Pens)*

(1) To qualify for an award under the provisions of this section:

(a) the individual must have been assessed by a Service medical board as permanently unfit for service on account of a disability which the Veterans Agency accept as being attributable to or aggravated by their period of recalled service and in respect of which the degree of disability is 20% or more; and

(b) have been awarded a war pension under the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 in respect of that disability which takes effect from a date no later than the day following the end of the period of recalled service; and

(c) where the individual's disability arises on or after 1<sup>st</sup> April 2004, the Defence Council must accept, on a balance of probabilities, that the disability was attributable to or to a significant extent aggravated by the period of recalled service.

(2) The grant and the amount of any award of Service Attributable Retired Pay or Attributable Gratuity shall be at the discretion of the Defence Council.(3). For the avoidance of doubt, an officer is not entitled to service attributable retired pay or an attributable gratuity under this Section if he is entitled to the payment of benefit under the Armed Forces Compensation Scheme (established under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004 (c.32)) in respect of the same condition

**3008D. Service Attributable Retired Pay.** *Sponsor: SPP(Pens)*

(1) Where an individual is no longer able to follow his civilian occupation as the result of the disability, unless the Defence Council decide otherwise, the Higher Rate of Service Attributable Retired Pay may be

according to rank for invaliding purposes and degree of disability, at the minimum rates set out. Such an award will be reduced by

- (a) any retired pay or pension awarded under the Armed Forces Pension Scheme;
  - (b) any benefits under an occupational pension scheme, a retirement annuity scheme or personal pension scheme awarded as a result of termination of civilian employment on account of the disability which attributable benefits are payable; or
  - (c) from the date they come into payment, any preserved benefits under an occupational pension scheme, a retirement annuity scheme or personal pension scheme where, by reason of the disability, the benefits have become payable at an earlier date than would otherwise have been the case.
- (2) The amount of civilian pension benefits which may be taken into account where the occupational pension scheme or personal pension scheme is one which pays a pension plus a lump sum of 3 times the annual rate of pension will be the amount of civilian pension awarded. In other cases the amount of civilian pension awarded will be adjusted before being taken into account to the rate it would be, were the civilian pension scheme one which paid a lump sum equal to 3 times the annual rate of pension.
- (3) If the individual is able to follow his civilian occupation, the lower rate of Service Attributable Retired Pay may be awarded, according to the degree of disability but irrespective of rank, .
- (4) Where an individual is granted either the higher or lower rate of Service Attributable Retired Pay under subparagraph (1) or (3) of this paragraph, the award will be adjusted upwards or downwards (but not below the rate of Service Invaliding Retired Pay to which he may otherwise be eligible under any other section) during the first 12 months following invaliding, according to the degree of disability. Thereafter the award will be adjusted only if the degree of disability rises or when it falls below 20 per cent. Where the Service Attributable Retired Pay is to be adjusted, the new rate will be paid from the day following the adjustment to the degree of disability, and will be the rate appropriate to the new degree of disability according to the pension code in force on the date the individual was invalided, increased as appropriate by any applicable pensions increase measures. Payment of Service Attributable Retired Pay will cease where the degree of disability falls below 20 per cent. However, in such a case payment of Service Retired Pay or Service Invaliding Retired Pay may continue where the officer is eligible.
- (5) Where the individual is in receipt of a civilian occupational pension which is taken into account in the assessment of the award of Service Attributable Retired Pay under subparagraph (1), the increases due under pensions increase measures will be applied to the gross amount of the Service Attributable Retired Pay before deduction of the civilian occupational pension. The current rate of civilian pension, including any annuitised lump sum, plus any increase given by the Department of Work and Pensions on any Guaranteed Minimum Pension element of the civilian pension, will then be deducted from the rates of Service Attributable Retired Pay as increased by pension increase measures. Where, however, the civilian pension is an official pension which is increased by virtue of section 59 of the Social Security Pensions Act 1975, pension increase measures will be applied only to the net amount of SARP in payment unless an annuitised lump sum has featured in the calculation.
- (6) An award under subparagraph (1) or (3) may not be commuted.

**3008E. Attributable gratuities.**

*Sponsor: SPP(Pens)*

- (1) An individual who is awarded the higher rate of Service Attributable Retired Pay under paragraph **3008D(1)** may be awarded the higher rate of attributable gratuity if the degree of disability assessed on invaliding is 20% or more.
- (2) An individual who is awarded the lower rate of Service Attributable Retired Pay under paragraph **3008D(3)** may be awarded the lower rate of attributable gratuity if the degree of disability assessed on invaliding is 20% or more.

**3008F. Abatement of awards under 3008D.**

*Sponsor: SPP(Pens)*

- (1) An award under the provisions of paragraphs **3008D(1)** or **3008D(3)** may be abated to take

account of any compensation received by the individual in respect of the disability which led to the attributable invaliding following his period of recalled permanent service.

(2) If the disability was due wholly or in part to the individual's own negligence, misconduct or to any other cause within his own control, the award and amount of any Service Attributable Retired Pay under paragraphs **3008D**(1) or (3) shall be at the discretion of the Defence Council.

(3) If an award of unemployability supplement is made by the Veterans Agency under Article 18 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983 to an individual during the first 12 months following his invaliding, any award of Service Attributable Retired Pay payable under this section at the minimum rate will be abated by the amount of the supplement but not below the rate of Service Retired Pay or Service Invaliding Retired Pay for which the individual may be eligible.

## **SECTION 10 - CRIMINAL INJURIES COMPENSATION OVERSEAS**

**3009.**

*Sponsor: SPP(Pens)*

(1) Members of the RAF and their accompanying dependants who, outside the UK because of duty, sustain injury (including death) directly attributable to a crime of violence may be paid, ex gratia, a lump sum payment. The decision as to whether a payment may be made and, if so, the amount of it, shall be wholly within the discretion of the Defence Council.

(2) Application forms should be submitted to OC P1 at the applicant's unit. OC P1 should forward the application form together with supporting evidence to SP Pol (Pens) 3a1, Level 7, Zone J, Main Building, Whitehall, London, SW1A 2HB.

(3) AP 3392, Vol 4, Leaflet 1910 provides additional information and an application form.

**3010-3015.***(Omitted)*

## **SECTION 11 – CLOSURE OF PENSION ARRANGEMENTS AND APPLICATION TO SERVICE ON OR AFTER 6<sup>TH</sup> APRIL 2005**

**3015A.**

*Sponsor: SPP(Pens)*

Subject to paragraph 3015D, the pension arrangements set out in this chapter apply to officers whose service ends before 6<sup>th</sup> April 2005 and who did not opt out of the arrangements, or who are in service on 6<sup>th</sup> April 2005 and who have not opted out of the arrangements (whether to transfer to the arrangements set out in the Armed Forces Pension Scheme established under section 1(1) of the Armed Forces (Pensions and Compensation) Act 2004 or otherwise).

**3015B.**

*Sponsor: SPP(Pens)*

The pension arrangements set out in these chapters are closed to –

(a) officers whose service in the RAF begins on or after 6<sup>th</sup> April 2005, or, subject to paragraph 3015C, whose service given as a result of re-enlisting begins on or after 6<sup>th</sup> April 2005;

(b) officers who have previously opted out of the scheme, or who opt out of the scheme on or after 6<sup>th</sup> April 2005 (whether to transfer to the arrangements set out in the Armed Forces Pension Scheme established under section 1(1) of the Armed Forces (Pensions and Compensation) Act 2004 or otherwise).

**3015C.**

*Sponsor: SPP(Pens)*

Paragraph 3015B(a) does not apply to

- (a) an officer who is recalled for a period of permanent service under the Reserve Forces Act 1980 or 1996 and such service will be dealt with in accordance with section 2 of chapter 46;
- (b) an officer who gave service on or before 6<sup>th</sup> April 2005 who is subsequently re-employed, reinstated or re-engaged and gives further military service where the break in service is less than one month.

**3015D.**

*Sponsor: SPP(Pens)*

Paragraph 3015B does not apply to an officer who is recalled for a period of permanent service under the Reserve Forces Act 1980 or 1996 after 6<sup>th</sup> April 2005 and who dies during that service, and paragraph 3101(3A) will apply to that officer regardless of the application of these arrangements to him or his membership of the Armed Forces Pension Scheme (established under section 1(1) of the Armed Forces (Pensions and Compensation) Act 2004).

**3015E.**

*Sponsor: SPP(Pens)*

The general rules set out in paragraphs 3015A and 3015B on the application of the pension arrangements do not apply to paragraphs 2900 – 2905, paragraph 2914, the provisions relating to service attributable retired pay in Section 3, the provisions relating to service attributable invaliding gratuities and additional attributable gratuities in Section 4, Section 7 (pensions and gratuities for gallant conduct and good service), section 8 (rank on retirement, resignation etc.) and section 10 (Criminal Injuries Compensation (Overseas) Scheme).

**\*The pension guidance enclosed in the 5<sup>th</sup> Edition (1999) of Queen's Regulations (RAF) which relate to Armed Forces Pension Scheme 1975 (AFPS 75) remain extant for RAF Service personnel who left the Service prior to 6 April 10. RAF Service personnel still serving after 6 April 10 should refer to the appropriate RAF document found in the Tri-Service Armed Forces Pension Scheme 1975 and Attributable Benefits Scheme Prerogative Instruments 2010. This document may be found in the Intranet Publications library**