

## CHAPTER 42

### HALF-PAY, RETIRED PAY AND PAYMENT OF PENSIONS

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

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

#### SECTION 1 – OFFICERS

##### 3121. Authority for Issue.

*Sponsor: SPP(Pens)*

When an officer becomes eligible for retired pay, the necessary authority is issued by the MOD to The Paymaster, by whom payment is made. Payment of gratuity is normally made by the MOD direct to the officer.

##### 3122. Declaration to be Made.

*Sponsor: SPP(Pens)*

- (1) An officer becoming eligible for retired pay will receive from the MOD a form on which to apply for payment. This form must be completed and forwarded to Paymaster.
- (2) Payment of retired pay may not be made unless a declaration has been made and signed by the person entitled to receive payment.
- (3) A declaration shall be required on the initial application form, and subsequently at such intervals as the Secretary of State for Defence may determine. Copies of the appropriate forms will be supplied by Paymaster or by the person making payment on his behalf.
- (4) The declaration shall state:
  - (a) That the declarant is entitled to receive the payment.
  - (b) The full name of the officer.
  - (c) The service in respect of which the retired pay was awarded.
- (5) The declaration is to be completed and signed by the officer entitled to receive payment of the retired pay in the presence of a witness, who must be a person other than the officer or his wife/her husband or civil partner, who holds one of the following qualifications or such qualification as the Secretary of State may decide:
  - (a) Where the declaration is made in the UK, the Channel Islands or the Isle of Man:
    - (i) A person registered in the UK as a Parliamentary elector or on the electoral roll of Jersey, Guernsey, or Sark, or the register of electors of Alderney or the Isle of Man.
  - (b) Where the declaration is made outside the UK, the Channel Islands or the Isle of Man:
    - (i) A person registered in the UK as a Parliamentary elector.
    - (ii) An officer on the active or half-pay or pension list of any of HM Armed Forces.
    - (iii) A person who is on the active or pension list of the permanent civil service of any territory within the British Commonwealth or the Republic of Ireland.
    - (iv) A member of HM Diplomatic Service.
    - (v) An officer of a bank authorized to sign documents on its behalf.

(vi) A physician or surgeon registered as such under the laws of the territory where the declaration is made.

(vii) A minister of religion.

(viii) A master of a merchant ship, being a British subject.

(ix) A graduate of a university in the British commonwealth or the Republic of Ireland.

(x) A magistrate.

(xi) A barrister, solicitor or advocate authorized to practise in the territory where the declaration is made.

(xii) A notary public or other person competent by the law of the territory where the declaration is made to administer oaths.

(6) The person before whom the declaration is made shall state:

(a) The full qualifications which entitle him to attest.

(b) That the declaration was made in his presence.

(c) That he believes the person making the declaration to be the person entitled to payment.

(7) Where the declaration is made by a person on behalf of the officer it shall be supported by a statement made by a person having the required qualifications prescribed in clause (5), and not being the wife/husband or civil partner of the officer or declarant, stating when he last saw the officer alive.

**3123. Method of Payment.**

*Sponsor: SPP(Pens)*

(1) Payment will be made monthly in arrears on dates to be notified by Paymaster.

(2) The payment for each month will be one-twelfth of the annual rate rounded up or down to the nearest penny.

(3) Payment for any period of less than a month will be calculated proportionately according to the number of days in the full month ending on the date of payment.

**3124. Surviving Spouse, Surviving Civil Partner and Dependent Relatives.**

*Sponsor: SPP(Pens)*

Pensions, gratuities and allowances to surviving spouse, surviving civil partner, children and dependent relatives of deceased officers will be awarded only after application has been made to the MOD and when awarded, will be paid by The Paymaster on receipt of the necessary authority from the MOD. Payment will be made in a manner similar to that provided in paras **3122** and **3123**.

**3125. Death of Payee.**

*Sponsor: SPP(Pens)*

When an officer in receipt of half-pay or retired pay, or an officer's surviving spouse or surviving civil partner or dependant relative in receipt of a pension or allowance dies, the person entitled to receive the money should apply to Paymaster for the payment of any arrears due to the date of death. Paymaster will require satisfactory evidence of the death and of the claimant's right to the money. Where there is no necessity for probate or letters of administration to be taken out, the fact is to be stated in the application.

**3126-3129. (Omitted)**

## SECTION 2 – AIRMEN

### 3130. Method of Payment.

*Sponsor: SPP(Pens)*

(1) Pensions for airmen of the rank of Warrant Officer and below will normally be paid monthly in arrears by Paymaster. Payment can be made either:

- (a) Direct to the pensioner's Bank account, National Giro account or Building Society account, or
- (b) To the pensioner's home address by payment voucher.

Exceptionally, where payment by one of the above methods would result in hardship for the pensioner, arrangements can be made for the pension to be paid weekly by the MOD.

(2) Pensions for the surviving spouse, surviving civil partner, children or dependent relatives or airmen of the rank of warrant officer and below can be paid by any of the methods described in clause (1). Where a surviving spouse/or surviving civil partner is in receipt of a pension for themselves and for a child both pensions will be paid in the same manner.

(3) For pensioners residing abroad payment will be made at monthly intervals. Payment can be made by Paymaster to a pensioner's Bank account in the UK. Otherwise the MOD will arrange for local payment or for payment from the UK direct to the pensioner's overseas address according to the arrangements in force for the country of residence.

(4) A declaration, as detailed in para 3122(3)-(7) will be required for every pensioner. The appropriate declaration will be supplied either by Paymaster; MOD, Defence Accounts Agency; or the appropriate paying agent responsible for the payment of the pension.

### 3131. Change of Country of Residence.

*Sponsor: SPP(Pens)*

A pensioner should notify the MOD before he proceeds abroad.

### 3132. Allotment of Pension.

*Sponsor: SPP(Pens)*

(1) A pensioner who wishes to allot his pension, or a portion thereof, in support of his family during his absence abroad for a limited period, must sign a request to that effect before he leaves.

(2) An airman pensioner re-enlisted in the RN, the Army or the RM and residing at home may allot his pension through official channels.

### 3133. Disposal of Balance of Pension on Death of Pensioner.

*Sponsor: SPP(Pens)*

Any balance of pension that may be due to the death of a pensioner will be paid to his legal personal representative, subject to there being no recoverable public debts against the pensioner.

3134-3137. (Omitted)

## SECTION 3 - EFFECT OF NATIONAL RETIREMENT PENSIONS ON SERVICE RETIRED PAY AND SERVICE PENSIONS

### 3138. Abatement of Service Retired Pay and Service Pensions.

*Sponsor: SPP(Pens)*

(1) Except as provided in Clauses (2) and (3) an officer or airman entering or re-entering the Royal Air Force after 30 June, 1949, will, when he reaches the state pension age, have his retired pay or pension reduced by £0.01667 a week (or £0.8708 a year for awards at annual rates) for each complete year of reckonable service prior to 1 April 1980. For the purpose of this clause an officer or airman whose active list of regular service is broken only by service on the reserve portion of his engagement will not be regarded as having re-entered.

(2) An officer or airman who has been awarded Service retired pay or Service pension and who is exempted from the provisions of clause (1) will continue to be so exempt notwithstanding that he may give further service.

(3) No abatement shall be made from any retired pay or pension paid to a retired officer or airman

permanently residing outside the UK unless that person is in receipt of retirement pension under the National Insurance Act, 1946, or of a corresponding award payable under reciprocal arrangements.

(4) An officer or airman in receipt of service retired pay or pension who has, during any period of his service, paid graduated contributions at the basic rate (or is treated as having paid them by virtue of Section 58 of the National Insurance Act of 1965), shall on reaching the state pension age have his service retired pay or pension abated by the amount of graduated retirement benefit for which he is eligible under the National Insurance Act of 1965 (or would be eligible if he had retired from regular employment). No abatement will be made where the amount of graduated retirement benefit is £0.10 a week or less. The annual rate of abatement is £1.30 a year for each £0.025 a week of graduated retirement benefit for which abatement is applied.

(5) Officers and airmen who, on or after 6 April 1978, served on a gratuity earning engagement and transferred to a pensionable engagement will, from the state pension age have their retired pay or pension abated to take account of the guaranteed minimum pension payable in respect of the period of service during which contributions were jointly paid by them and the MOD as required by the Social Security Pensions Act 1975. The abatement will be equivalent to the notional guaranteed minimum pension attributable to the period spent on the gratuity earning engagement.

**3139.** *(Omitted)*

#### **SECTION 4 - FORFEITURE, SUSPENSION OR WITHHOLDING OF RETIRED PAY OR PENSION**

**3140.**

*Sponsor: SPP(Pens)*

(1) Pension benefits may be forfeited where:

(a) Service personnel or former Service personnel are convicted of one or more offences which are:

(i) offences of treason;

(ii) offences under the Official Secrets Acts 1911 to 1989 for which they have been sentenced on the same occasion to a term of imprisonment of at least 10 years, whether as one term or as an aggregate of two or more consecutive terms.

(b) Service personnel or former Service personnel are convicted of an offence committed in connection with their service as a member of the Armed Forces, including any of the offences listed below, and the Secretary of State for Defence considers that offence to have been gravely injurious to the defence, security or other interests of the State:

(i) Assisting, aiding or communicating with the enemy in time of war

(ii) Mutiny or incitement to mutiny in time of war or peace

(iii) Failure to suppress a mutiny in time of war or peace

(iv) Desertion in time of war or while on active service

(v) Sabotage in war or grave sabotage in time of peace

(vi) Grave breach of the Geneva Conventions

(2) Where retired pay or pension has been forfeited, the Defence Council is empowered to restore it either in whole or in part.

(3) Where retired pay has been forfeited or suspended under the provisions of para **3140(1)**, a compassionate allowance may be made by the Defence Council to, or for the benefit of, the wife or other dependants of the officer or airman. The amount of this allowance may not exceed the amount of the surviving spouse, surviving civil partner pension which could have been awarded to the officer or airman if he had died on the date that his retired pay or pension was forfeited or suspended. Any such allowance awarded may subsequently be withdrawn in any circumstances which lead the Defence Council to decide that an allowance should no longer be paid.

(4) Should an officer or airman, because of mental disorder, become incapable of managing his affairs, the Defence Council may, under the provisions of Section 142, 146 and 147 of the Mental Health Act, 1983, divert to any person or institution, such part of his retired pay or pension as may be necessary for his care and maintenance and for the benefit of his dependants.

(5) Where an officer or airman fails to draw his retired pay or pension for a period exceeding twelve months, the retired pay or pension will be suspended and will not be resumed unless he satisfactorily accounts for such omission. Payment of arrears will be at the discretion of the Defence Council.

#### **SECTION 4A – PAYMENT OF CHARGES AND DEDUCTION OF TAX**

##### **3140A. Payment on behalf of members of lifetime allowance charge.**

*Sponsor: SPP(Pens)*

(1) A member may request the person who is the scheme administrator for the purposes of section 217 of the Finance Act 2004<sup>(1)</sup> (“the administrator”) to pay on his behalf any amount that is payable by way of the lifetime allowance charge under section 214 of that Act when—

- (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of that Act occurs in relation to him, and
- (b) the member and the administrator are jointly and severally liable for the charge in respect of the event.

(2) Such a request may only be made by notice in writing given before the event occurs.

(3) The administrator may only comply with such a request if the member pays him the amount in question on or before the date on which the event occurs.

##### **3140B. Reduction of benefits and transfer values where lifetime allowance charge payable.**

*Sponsor: SPP(Pens)*

(1) This paragraph applies if—

- (a) an event that is a benefit crystallisation event listed in the table in section 216(1) of the Finance Act 2004 (“the table”) occurs in relation to a member,
- (b) the member and the person who is the scheme administrator for the purposes of section 217 of that Act (“the administrator”) are jointly and severally liable for the charge in respect of the event, and
- (c) no request has been duly made under para **3140A** in relation to the event or, if such a request has been made, the administrator is prevented from complying with it by para **3140A(3)** above.

(2) Where this paragraph applies—

- (a) the administrator must pay the tax payable on the event,
- (b) if the event is benefit crystallisation event 8 in the table (transfer to qualifying recognised overseas pension scheme), the amount or value of the sums or assets transferred must be reduced, and
- (c) in the case of any other event, the amount or value of the benefits payable to or in respect of the member must be reduced.

(3) The amount or value of the reduction must be such that, in the opinion of the Scheme actuary, it fully reflects the amount of the tax so paid.

##### **3140C. Deduction of special lump sum death benefits charge.**

*Sponsor: SPP(Pens)*

Before a payment is made that is a pension protection lump sum death benefit for the purposes of Part 4 of the Finance Act 2004 (see paragraph 14 of Schedule 29 to that Act), the person who is the scheme administrator

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(1) 2004 c. 12.

for the purposes of section 217 of that Act may deduct from it any tax due in respect of the payment under section 206 of that Act (the special lump sum death benefits charge).

## SECTION 5 - INTERNAL DISPUTE RESOLUTION PROCEDURES

**3141.**

*Sponsor: SPP(Pens)*

(1) Complaints against decisions made by the administrators of the Armed Forces Pension Scheme may be made under the scheme's Internal Dispute Resolution Procedures. Those eligible to complain under these procedures are:

- (a) serving members of the Armed Forces Pension Scheme;
- (b) members of the scheme who have left the Service;
- (c) dependants of deceased members of the scheme;
- (d) potential members of the scheme;
- (e) pension credit members;
- (f) anyone claiming to be in any of the above categories.

(2) The details of the Internal Dispute Resolution Procedures are contained in the TriScheme IDRPs Booklet on Internal Dispute Resolution Procedures<sup>(2)</sup>.

**3142-3149.** *(Omitted).*

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(2) Copies may be obtained from the Defence Intranet, the SPVA (Glasgow) and SPPol (PCV), Ministry of Defence, Main Building, Whitehall, SW1A 2HB.