

**2014 No.**

**PENSIONS**

**The Armed Forces Early Departure Payments Scheme  
Regulations 2014**

*Made* - - - - - \*\*\*  
*Laid before Parliament* \*\*\*  
*Coming into force* - - - - - *1<sup>st</sup> April 2015*

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The Secretary of State for Defence, in exercise of the powers conferred by section 1(1) of the Public Service Pensions Act 2013(a), makes the following Regulations.

In accordance with section 21 of that Act the Secretary of State for Defence has consulted representatives of such parties as appear to the Secretary of State for Defence likely to be affected by these Regulations.

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

*Preliminary*

**Citation and commencement**

1.—(1) These Regulations may be cited as the Armed Forces Early Departure Payments Scheme Regulations 2014.

(2) These Regulations come into force on 1<sup>st</sup> April 2015.

*The Armed Forces Early Departure Payments Scheme*

**Establishment of the Armed Forces Early Departure Payments Scheme**

2.—(1) These Regulations provide for a scheme to be known as the “the Armed Forces Early Departure Payments Scheme 2014”.

(2) The Scheme provides for—

- (a) entitlement to a lump sum payment and periodical payments when membership of the Regular Forces ceases and certain conditions as to age and service as a member of the Regular Forces are met (see regulations [8] to [15]), and
- (b) entitlement to a lump sum payment, where those conditions are not met but at the time membership of the Regular Forces ceases the member—
  - (i) meets certain conditions as to length of service as a member of the Regular Forces (see regulations [16] to [18], or
  - (ii) is unfit for service as a member of the Armed Forces (see regulations [19] to [23]).

**Governance**

3. The provisions of regulations [4] (scheme manager) to [8] (conflict of interest: pension board) of the AFPS 14 shall apply to this scheme and reference in those regulation to “these Regulations” and “this scheme” shall be construed accordingly.

*Interpretation etc.*

**General interpretation**

4. In these Regulations—

“active member” has the meaning given in section 124(1) of the Pensions Act 1995;

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(a) 2013 c.25.

“armed forces” has the meaning given in section 37 of the Public Service Pensions Act 2013;  
“the Armed Forces Early Departure Payments Scheme 2014” has the meaning given in regulation [2];

“the AFPS 14” means the Armed Forces Pension Scheme established under regulation 2 of the Armed Forces Pension Regulations 2014;

“the AFPS 05” means the Armed Forces Pension Scheme 2005 established by regulation 2 of the Armed Forces Pension Scheme Order 2005;

“the AFPS 75” means the Armed Forces Pension Scheme 1975 set out in—

(a) Orders in council made under section 3 of the Naval and Marine Pay and Pensions Act 1865(a);

(b) The Army Pensions Warrant 1977; and

(c) Order and regulations made under section 2 of the Air Force (Constitution) Act 1917(b).

“connected scheme” is to be read in accordance with section 4(6) of the Act;

“deferred pension age” has the meaning given in section 10(3) of the Act and refers to the membership of AFPS 14;

“eligible person” has the meaning given in regulation [8];

“final pensionable earnings” has the meaning given in regulation [5];

“normal pension age” has the meaning given in section 10(2) of the Act and refers to membership of the AFPS 14;

“qualifying service” has the meaning given in regulation [7];

“regular forces” has the same meaning as in the Armed Forces Act 2006 (see section 374), it does not include those who are recalled for permanent regular service under Part 7 of the Reserve Forces Act 1996;

“reserve forces” has the same meaning as in the Reserve Forces Act 1996 (see section 1(2));

“the Act” means the Public Service Pensions Act 2013;

“this scheme” means the Armed Forces Early Departure Payments Scheme 2014 established by these Regulations;

“scheme actuary” means the actuary appointed by the Secretary of State to provide a consulting service on actuarial matters relevant to this scheme;

“scheme administrator” in relation to a member or a function, means the person responsible for the day to day administration of the scheme in relation to the member or in respect of the function;

“scheme manager” means the Secretary of State who must manage this scheme;

“scheme year” means a period of one year beginning with 1<sup>st</sup> April and ending with 31<sup>st</sup> March.

### **Meaning of “final pensionable earnings”**

5.—(1) For the purposes of this scheme “final pensionable earnings”, in relation to any person, means the greatest amount that is the person’s total pensionable earnings for 365 consecutive days falling within the period of 3 years ending with the last day of the person’s service.

(2) Subject to paragraph (4), in paragraph (1) “pensionable earnings” in relation to a person in service as a member of the armed forces, means—

(a) basic pay in the service by virtue of which the person is a member for a person of their rank and seniority; and

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(a) 28 7 29 Vict. C.73

(b) 7 & 8 Geo 5 c.51

(b) any other amount if and to the extent that the Secretary of State has determined that it is to be treated as pensionable earnings for this purpose.

(3) Accordingly, subject to paragraph (2)(b); “Pensionable earnings” does not include—

(a) any allowances,

(b) any additional amounts payable in respect of particular qualifications or duties, the location of service or the conditions in which service is temporarily performed, or

(c) without prejudice to paragraphs (a) and (b), any additional amounts payable to medical or dental officers as such.

(4) “Pensionable earnings” does not include any description of payment that the Secretary of State has determined is not to be treated as pensionable earnings, unless it is expressly provided to the person on the basis that it is pensionable earnings for this purpose.

(5) If the person was required to be in service as a member of the armed forces during any period of 365 consecutive days falling within the period of 3 years mentioned in paragraph (1) but was not in service for 365 consecutive days, that paragraph applies as if it referred to the person’s annualised pensionable earnings in the period of service ending with the last day of his service as such a member.

(6) The person’s annualised pensionable earnings in a period of service are the amount given by the formula—

$$PE \times (365 \div N)$$

where—

**PE** is the person’s pensionable earnings for the period, and

**N** is the number of days in the period for which pensionable earnings were received.

If the period of the final pensionable earnings includes the day 29 February the figure 365 should be substituted with 366.

(7) If at any time during the period of 3 years mentioned in paragraph (1) the person is treated under regulation [24](meaning of “assumed pay”) of the AFPS 14 regulations as receiving assumed pay or would be if that person were a member of the AFPS 14 throughout that period for the purpose of this regulation the person’s pensionable earnings for each day during that period when the person is so treated include the assumed pay for that day.

### **Earnings adjustments in determining final pensionable earnings**

**6.**—(1) For the purposes of determining a person’s final pensionable earnings under regulation [4](meaning of “final pensionable earnings”), the amount of pensionable earnings, as determined in accordance with regulation [5](meaning of “final pensionable earnings”), for that part of the period of 365 days that falls 365 days or more before the last day of service, is adjusted for earnings.

(2) If the person’s final pensionable earnings are determined, in accordance with paragraph (1), to be an amount for any period, in relation to which any adjustment for earnings has been made under this regulation, then the person’s final pensionable earnings are to be taken for all purposes to be the amount so determined after that adjustment.

(3) The reference in paragraph (1) to adjusting for earnings the amount of pensionable earnings for part of a period is a reference to increasing it by the same amount as that by which an annual pension of an amount equal to those earnings would have been increased [under the Pensions (Increase) Act 1971 on the day following the last day of relevant service if the pension—

(a) was eligible to be so increased; and

(b) had come into payment on the day following the last day of that period.]

### **Meaning of “qualifying service”**

7.—(1) For the purposes of this scheme “qualifying service” means the number of calendar days from the first day of paid service to the last day of paid service, but excluding the following periods—

- (a) absence without leave;
- (b) service detention;
- (c) imprisonment;
- (d) unpaid leave.

(2) Periods of qualifying service separated by 5 years or less are aggregated for the purposes of this scheme.

### *Early departure payments*

### **Eligibility for early departure payments**

8.—(1) A person is only eligible to become entitled to payments under regulation [9](entitlement to early departure payments) if the person meets conditions A to E.

(2) Condition A is that the person is a member of the regular forces, other than an excluded person.

(3) Condition B is that the person ceases to be in service as a member of the regular forces on or after attaining the age of 40 and before attaining the normal pension age.

(4) Subject to paragraph (8), condition C is that the person has completed a number of years’ qualifying service in the regular forces that equals or exceeds 20 years.

(5) Condition D is that the person is not entitled to the immediate payment of a pension under—

- (a) regulation [49] (entitlement to ill-health pension: active members with permanent serious ill-health) of the AFPS 14, or
- (b) regulation [50] (entitlement to ill-health pension: active members with significant impairment of capacity for gainful employment) of the AFPS 14.

(6) Condition E is that the person is not entitled to a payment under regulation [19](lump sum awards: incapacity for armed forces service) which the scheme administrator determines should be paid instead of a payment under regulation [9](entitlement to early departure payments).

(7) In paragraph (2) “excluded person” means—

- (a) any person, the terms of whose service excludes that person from eligibility for payments under regulation [9](entitlement to early departure payments), unless the Secretary of State has agreed to treat that person as if their terms of service do not exclude them, and
- (b) a person who is an active member of the AFPS 75 or AFPS 05.

(8) Periods of regular service separated by a gap in excess of 5 years are not to be aggregated.

(9) Service in the reserve forces is not qualifying service for the purposes of paragraph (4).

### **Entitlement to early departure payments**

9.—(1) A person, who is eligible to become entitled to payments under this regulation in accordance with regulation [8] (eligibility for early departure payments) becomes so entitled from the time that the person ceases to be in service as a member of the regular forces.

(2) An eligible person is entitled under this regulation to—

- (a) a lump sum payment, and
- (b) periodical payments in respect of the period beginning with the day following the cessation of service as a member of the regular forces, and ending with the day before the person’s deferred pension age under AFPS 14.

(3) The lump sum is payable before the expiry of the period of 3 months beginning with the day on which the person ceases to be a member of the regular forces.

(4) The periodical payments are to be made at monthly intervals in arrears.

#### **Amount of early departure payments**

**10.**—(1) The annual amount of the periodical payments payable to an eligible person is the sum of—

- (a) the basic amount, and
- (b) the additional service allowance.

(2) The basic amount is an amount equal to 34% of the provisional annual amount of the person's deferred pension under AFPS 14 at the point of exit had the person been a member of that scheme for the whole of their period of qualifying service (whether or not that is the case).

(3) The additional service allowance is an amount equal to 0.85% of the provisional amount of the person's deferred pension under AFPS 14 for every full year served as a member of the regular forces beyond the 20 year service and age 40 qualification point at the cessation of membership of the regular forces, had the person been a member of AFPS 14 for the whole of their period of qualifying service.

(4) The amount of the lump sum is the provisional amount of the member's deferred pension under AFPS 14 at the point of cessation of the member's service in the regular forces multiplied by 2.25, or would have been if they had been a member of AFPS 14 for the whole of their period of qualifying service (whether or not that is the case).

(5) In the case of a person who would be an excluded person for the purposes of regulation [8](eligibility for early departure payments), apart from the Secretary of State agreeing as mentioned in regulation [8](eligibility for early departure payments), the amounts of the payments under this regulation are to be reduced by any such amount as the scheme manager considers appropriate, after consultation with the scheme actuary.

(6) In the case of a person who has not been a member of AFPS 14 for the whole of their period of qualifying service, the amount of the periodical payments or lump sum to which the person would have been entitled had the person been such a member for that period, is to be such amount as the scheme manager considers appropriate after consultation with the scheme actuary.

#### **Option to convert the entire lump sum payment into additional monthly payments**

**11.**—(1) A person may opt to exchange the whole of the lump sum to which the person would be entitled under regulation [10](amount of early departure payments) for an increase in the amount of periodical payments payable to the person.

(2) Where a person so opts, the periodical payments are to be increased as from the date the payments are due to start and by the amount that the scheme manager, having consulted the scheme actuary, considers to be equivalent in value to the whole of the lump sum to which the person is entitled.

(3) A person who has exercised the option under this regulation ceases to be entitled to payment of a lump sum under regulation [9](entitlement to early departure payments).

(4) The option under this regulation may only be exercised by giving notice in writing to the scheme administrator, in such form as the scheme administrator requires, during the period of 6 months ending with the day on which the person becomes entitled to payment of the lump sum.

(5) For the purposes of this regulation, the option is treated as having been exercised on the date on which it is received by the scheme administrator.

#### **Increases for inflation**

**12.**—(1) In determining the annual amount of the payments calculated in accordance with regulation [10](amount of early departure payments) when a person attains the age of 55, the

amount of the person's basic amount and additional service allowance are adjusted for inflation in respect of each scheme year.

(2) The reference in paragraph (1) to adjusting for inflation the amount of the person's basic amount and additional service allowance, is to increasing it by the same amount as that by which an annual pension of an amount equal to the amount of the person's basic amount and the additional service allowance would have been increased under the Pensions (Increase) Act 1971 if the pension was eligible to be so increased and had come into payment on the day that such basic amount and additional service allowance comes into payment.

(3) In determining the annual amount of payments calculated in accordance with regulation [10](amount of early departure payments) at any time after the person attains the age of 55, those payments are to be increased accordingly.

### **Effect of rejoining the regular forces within 5 years**

**13.**—(1) This regulation applies where a person who is receiving payments under regulation [9] (entitlement to early departure payments) undertakes a period of new service.

(2) In this regulation a "period of new service" means any period of service in the regular forces after the cessation of a prior period of service provided that the subsequent period commences not more than 5 years after the cessation of the prior period of service.

(3) Within one month of commencing the new period of service the person may elect to—

(a) retain any payments that the person receives in accordance with regulation [9](entitlement to early departure payments) relating to a prior period of service under this scheme and;

(i) such payments are not be recalculated on cessation of the new service; and

(ii) payments are to cease once the person reaches their deferred pension age in respect of the prior service, or would have reached that age if the person had been a member of the AFPS 14; or

(b) end the payment of periodical payments under regulation [9](entitlement to early departure payments), relating to the prior period of service, for the duration of the period of new service and—

(i) repay in full the amount of any lump sum paid under regulation [9](entitlement to early departure payments) relating to the prior period of service; and

(ii) such payment is to include interest calculated on a daily basis from the date of exit to the date when the repayment is made, at an annual rate determined by the Secretary of State on the advice of the scheme actuary.

(4) An election under paragraph (3) cannot be altered.

(5) On cessation of the period of new service a person to whom paragraph 3 (b) applies and who is an eligible person will be entitled to—

(a) a lump sum in accordance with regulation [9](entitlement to early departure payments); and

(b) periodical payments in accordance with regulation [9](entitlement to early departure payments) until such time as the person receives a pension under AFPS 14 or if the person is not a member of AFPS 14 has reached the deferred pension age for a member under that scheme.

(6) Payments under paragraph (5) are to be calculated with reference to both the prior service and the new service.

(7) A person is not entitled to a lump sum under this regulation where they have previously received a lump sum under regulation [9](entitlement to early departure payments) which has not been repaid.

(8) Where a person re-enters service with the regular forces more than 5 years after an immediately prior period of service they will retain any payments made to them in accordance with regulation [9](entitlement to early departure payments).

(9) Payments referred to in paragraph (8) are not to be recalculated in respect of their subsequent period of service and are to cease once the person is in receipt of a pension, relating to that prior period of service under AFPS 14 or if the person is not a member of AFPS 14 has reached the deferred pension age for a member under that scheme.

### **Effect of joining the reserve forces**

**14.**—(1) Where a person in receipt of payments under regulation [9](entitlement to early departure payments) enters service with the reserve forces, that person is to retain the payments they receive under regulation [9](entitlement to early departure payments).

(2) Payments referred to in paragraph (1) are not to be recalculated at the point of cessation of the person's service in the reserve forces and will cease once the person is in receipt of a pension under AFPS 14 or, if the person is not a member of AFPS 14, has reached the deferred pension age for a member under that scheme.

### **Effect of emergencies**

**15.**—(1) This regulation applies where a person who would be entitled to payment under regulation [9](entitlement to early departure payments) if that person had ceased to be in service on the relevant date, does not cease to be in service on that date by reason only of—

- (a) circumstances which in the opinion of the scheme manager amount to an emergency, or
- (b) that person being a prisoner of war on that date.

(2) The person is treated for the purposes of regulations [8 (eligibility for early departure payments) to 11(option to convert the entire lump sum payment into additional monthly payments)] as having ceased to be in service on the relevant date.

(3) In this regulation “the relevant date” means—

- (a) in the case of a person who was to have ceased to be in the regular forces on the date that the person's commitment ended, that date, or
- (b) in the case of a person who agreed to continue in the regular forces after that person's commitment ended, until normal pension age for a member under the AFPS 14, the day before that on which the person reached that age, or
- (c) in the case of a person not within sub-paragraphs (a) or (b) who was notified that a particular date was to be the last day of that person's service in the regular forces, that date.

### *Resettlement grants*

### **Entitlement to a resettlement grant**

**16.**—(1) A person who ceases to be in service as a member of the regular forces is entitled to a lump sum payment if the person-

- (a) has at least 12 years' qualifying service in the regular forces,
- (b) is not entitled to payments under regulations [9](entitlement to early departure payments), [19](lump sum awards: incapacity for armed forces service) or the immediate payment of a pension under-
  - (i) regulation [41](retirement on or after Normal Pension Age) of the AFPS 14, or
  - (ii) regulation [49](entitlement to ill-health pension: active members with permanent serious ill-health) of the AFPS 14, or
  - (iii) regulation [50](entitlement to ill-health pension: active members with significant impairment of capacity for gainful employment) of the AFPS 14, or
- (c) either—



- (i) has not previously received a payment under this regulation or the corresponding provisions, or
- (ii) is not an active member of the AFPS 75 or AFPS 05.

(2) Where a person re-enters service with the regular forces more than 5 years after an immediately prior period of service in AFPS 14, the period of new service and the period of prior service are not to be aggregated under this regulation.

(3) In this regulation “the corresponding provisions” means—

- (a) regulation 14 of the Armed Forces Early Departure Payments Order 2005(), or
- (b) paragraphs 13 to 18 of Schedule XIII to the Naval and Marine Pay and Pensions (Non-Effective Benefits and Family Provisions) Order 2004, or
- (c) regulations 67 to 70 or 167A and 167B of the Army Pensions Warrant 1977, or
- (d) regulation 3063 of the Queen’s Regulations for the Royal Air Force, and
- (e) any earlier or later provisions corresponding to those mentioned in sub-paragraph (a), (b), (c) or (d).

### **Amount of resettlement grant**

**17.**—(1) The amount of the lump sum a person receives under regulation [16](entitlement to a resettlement grant) is to be determined by the scheme manager and published.

(2) The lump sum is payable before the expiry of the period of 3 months beginning with the day on which the person ceases to be a member of the regular forces.

### **Effect of resettlement grant on rejoining the regular forces or joining the reserve forces**

**18.**—(1) This regulation applies where a person who is in receipt of a lump sum under regulation [16](entitlement to a resettlement grant) re-joins the regular forces, joins the reserve forces or re-joins the reserve forces.

(2) Subject to paragraph (3) the person is entitled to retain the lump sum.

(3) Where the person re-joins the regular forces or becomes a full time reserve within 30 days of ceasing to be a member of the regular forces, the person is to repay the lump sum made to them under regulation [16](entitlement to a resettlement grant).

(4) At the cessation of a period of new service in the regular forces—

- (a) a person who has retained their lump sum payment in accordance with paragraph (2), is not entitled to a further lump sum under regulation [16](entitlement to a resettlement grant);
- (b) a person who has repaid their lump sum payment in accordance with paragraph (3) is entitled to a lump sum payment provided that the person continues to meet the criteria under regulation [16] (entitlement to a resettlement grant).

(5) At the cessation of a period of new service as a full time reserve, a person who has repaid their lump sum payment in accordance with paragraph (3) is not entitled to a lump sum payment under regulation [16] (entitlement to a resettlement grant).

### *Lump sums on incapacity*

### **Lump sum awards: incapacity for armed forces service**

**19.**—(1) A person who ceases to be in service as a member of the armed forces is entitled to immediate payment of a lump sum if—

- (a) in the opinion of the scheme manager the person will continue to be unfit for service as a member of the armed forces because of physical or mental impairment, and

- (b) the scheme manager has received evidence that the person is unfit for the purposes of sub-paragraph (a) from a registered medical practitioner, and
- (c) the person has at least 2 years' qualifying service, and
- (d) immediately before the service ceases the person is an active member of AFPS 14, and
- (e) the person is not entitled to payments under either-
  - (i) regulation [9](entitlement to early departure payments), where the scheme manager determines that payment should be made instead of a payment under this regulation, or
  - (ii) the immediate payment of a pension under-
    - (aa) regulation [41](retirement on or after reaching Normal Pension Age-active service) of the AFPS 14, or
    - (bb) regulation [49](entitlement to ill-health pension: active members with permanent serious ill-health) of the AFPS 14, or
    - (cc) regulation [50](entitlement to ill-health pension: active members with significant impairment of capacity for gainful employment) of the AFPS 14, or
    - (dd) regulation [58](option for members in serious ill-health to exchange whole pension for lump sum) of the AFPS 14.

(2) Where a person re-enters service with the regular forces more than 5 years after an immediately prior period of service in AFPS 14 or a connected scheme, the period of prior service and the period of new service are not to be aggregated under this regulation.

(3) The following periods do not constitute qualifying service for the purposes of this regulation—

- (a) any pensionable service in respect of which a person's rights under AFPS 14 are extinguished, or
- (b) any pensionable service in a connected scheme in respect of which the person's rights under that scheme are extinguished.

#### **Amount of lump sum on incapacity for armed forces service**

**20.**—(1) The amount of the lump sum a person receives under regulation [19] (lump sum awards: incapacity for armed forces service) is to be determined by multiplying one eighth of the person's final pensionable earnings by their service expressed in years and fractions of a year except where-

- (a) the amount calculated is less than one half of the person's final pensionable earnings. In these circumstances the person receives an amount equivalent to half the person's final pensionable earnings.
- (b) the amount calculated is more than twice the person's final pensionable earnings. In these circumstances the person receives an amount equivalent to twice the person's final pensionable earnings.

(2) The lump sum is payable before the expiry of the period of 3 months beginning with the day on which the person ceases to be a member of the armed forces.

#### **Effect of payment of an early departure payment, relating to previous service, on payment of lump sum on incapacity for armed forces service**

**21.**—(1) Where a person continues to be in receipt of payments under regulation [9](entitlement to early departure payments) and subsequently becomes entitled to a payment under regulation [19](lump sum awards: incapacity for armed forces service), that person will continue to receive payments under regulation [9](entitlement to early departure payments) unless the scheme manager determines that the person should receive a payment under regulation [19](lump sum

awards: incapacity for armed forces service) instead of payments under regulation [9](entitlement to early departure payments).

(2) If the scheme manager determines that the person will receive a payment under regulation [19], payments under regulation [9](entitlement to early departure payments) are to end from the date that the payment under regulation [19](lump sum awards: incapacity for armed forces service) is made.

**Effect of re-joining the armed forces having received a lump sum award for incapacity for armed forces service.**

**22.**—(1) Subject to paragraph (2), where a person is accepted for re-entry to the armed forces that person is to retain any previous lump sum paid under regulation [19](lump sum awards: incapacity for armed forces service).

(2) On rejoining the regular forces a person is to repay any unexpired part of the lump sum.

(3) In paragraph (3) ‘unexpired part’ is to be determined by applying the following formula—

1-  $(A \div B) \times$  lump sum received

where—

A is the number of complete months since the person ceased to be in regular service; and

B is the number of months final pensionable earnings.

(4) If a person becomes entitled to a subsequent payment under regulation [19](lump sum awards: incapacity for armed forces service), only that period of service from the point at which the person rejoined the armed forces is to be used for the purpose of calculating the amount of the lump sum under regulation [19](lump sum awards: incapacity for armed forces service).

Signatory text

Date

*Name*  
Parliamentary Under Secretary of State  
Ministry of Defence

## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

These Regulations are made under the Public Service Pensions Act 2013 (c.25) and establish the Armed Forces Early Departure Payments Scheme 2015 (“the scheme”). This is a new scheme of benefits for members of the armed forces leaving service before they are entitled to retirement pensions or other benefits under the Armed Forces Pension Regulations 2015. The scheme replaces existing arrangements for armed forces personnel and takes effect from 1st April 2015.

Article 1 provides that the Regulations come into force on 1st April 2015.

Article 2 provides for the establishment of the scheme and states that it is to be known as “the Armed Forces Early Departure Payments Scheme 2015”.

Article 3 applies the same governance regime from AFPS 15 to this scheme.

Article 4 sets out general definitions.

Articles 5, 6 & 7 explain the meaning of “final pensionable earnings”, sets out the method by which final pensionable earnings are adjusted and explains the meaning of “qualifying service” respectively.

Articles 8 to 15 deal with early departure payments.

Articles 8 & 9 set out eligibility and entitlement criteria for early departure payments respectively.

Article 10 details how the amount of early departure payments is to be calculated.

Article 11 provides that an option for a person to convert the lump sum element of an early departure payment into additional monthly payments.

Article 12 provides for adjustments to early departure periodical payments to take account of inflation.

Article 13 details the effect of rejoining the regular forces within 5 years of receiving an EDP.

Article 14 details the effect of joining the reserve forces for those in receipt of an EDP.

Article 15 sets out what is to happen where a person qualifies for an EDP but is unable to take it as a result of an emergency requiring the person’s continued service.

Articles 16 to 18 deal with resettlement grants.

Article 16 sets out an entitlement to a resettlement grant.

Article 17 details how the amount of a resettlement grant is determined.

Article 18 deals with the effect of rejoining the regular or joining the reserve forces on those in receipt of a resettlement grant.

Articles 19 to 22 deal with lump sums on incapacity for armed forces service.

Article 19 sets out conditions for entitlement to a lump sum for incapacity for armed forces service.

Article 20 sets out the calculation for determining the amount of lump sum for incapacity for armed forces service.

Article 21 details the effect of EDP relating to a prior period of service on payment of a lump sum for incapacity for armed forces service.

Article 22 sets out the effect of rejoining the armed forces having received a lump sum for incapacity for armed forces service.