

AFPS 05 – New Rules with Effect from 6 April 2009

JOINING THE ARMED FORCES WHERE THE MEMBER LEFT ON GRATUITY EARNING TERMS BUT SUBSEQUENTLY REJOINS THE ARMED FORCES ON PENSION EARNING TERMS

If an individual has been paid a gratuity on the satisfactory completion of gratuity earning service and subsequently rejoins the Armed Forces on or after 6 April 2009 on pensionable earning terms they can count that period of gratuity earning service as qualifying and reckonable service. This is providing the gratuity is refunded within the first year of becoming an active member of AFPS 05 either by a lump sum payment or by 12 equal monthly payments. The arrangements for refunding must be made at the time of entry onto a pensionable commission.

The amount of the refund shall be the full gratuity plus interest at the Bank of England 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.

CHANGING FROM GRATUITY EARNING TERMS TO PENSIONABLE EARNING TERMS WHILST STILL IN SERVICE

If an individual commenced their service on gratuity earning terms but subsequently changes on or after 6 April 2009 to service on pensionable earning terms in AFPS 05 they will be allowed to count that period of gratuity earning service as qualifying and reckonable service. This is providing they agreed to surrender all their rights to a gratuity in respect of the gratuity earning service.