MSU/4/8/2/3/ap   17th , November 2021 .

Dear Mark,

During Committee stage of the Armed Forces Bill on the 8 November, you asked for some more information about flexible service in the Armed Forces.

Under a Flexible Service (FS) arrangement (Part-Time Working (PTW) and/or Restricted Separation (RS)) there is a proportionate reduction in pay along with the reduction in work commitment. The reduction in pay will vary dependant on which FS arrangement is taken. For PTW there is a pro-rata reduction in pay (pension contributions and leave), but X-Factor remains at 14.5%. For personnel who undertake a RS arrangement, X-Factor is reduced (from 14.5% to 11.5%) to reflect the fact that, by Restricting their Separation from the home base, the individual is reducing the impact of one of the key components that X-Factor is designed to compensate them for. An individual can combine both PTW and RS in an arrangement. Whilst RS attracts a consequential reduction in X-Factor, under PTW (given that X-Factor is a percentage of basic pay) any reduction in pay will have a corresponding impact on the amount of X-Factor an individual receives overall. Therefore, regardless of which FS arrangement an individual takes, there is a corresponding impact on the financial value of X-Factor.

In delivering additional flexibilities and choice for Reserve personnel, utilising the new powers in clause 9 of the Bill; and in delivering Reserve Forces 2030 commitments, Defence will strive to ensure that wherever possible, changes to Reserves Terms and Conditions keep pace with those of Regulars; and are above all else, fair and commensurate with the commitment to Service our people make.

I am placing a copy of this letter in the Library of the House.

Yours sincerely,

BARONESS GOLDIE DL

The Lord Lancaster of Kimbolton
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