

## **ARMED FORCES PENSION SCHEMES (AFPS) - DEFERRED PENSIONS**

### **Overview and History**

Pension members who have served in the Armed Forces since 1975, and did not qualify for an immediate pension may be entitled to a Deferred Pension.

Prior to 6 April 1975, there was no provision for a preservation of pension benefits and Service personnel who left the Armed Forces had to have completed 16 years service from age 21 (Officers) or 22 years from age 18 (Other Ranks) to be eligible for a pension. Those who left before that date, without completing the above criteria, had no pension entitlement unless they were medically retired.

The Pension rules were changed so as to allow for individuals who left before the immediate pension point to accrue benefits under the scheme but not to be paid until they had reached pension benefit age: -

- From 06 April 1975, deferred pensions could be claimed for payment at age 60 for all those discharged over the age of 26 with a minimum of five years reckonable service. Reckonable service starts from age 18 for other ranks and age 21 for officers;
- In 1978, the age criterion was removed;
- From 06 April 1983 Service personnel no longer needed 5 years reckonable service, but 5 years contracted out service (contracted out service is service from age 16 earned after 6/4/78)
- On 06 April 1988, the qualifying period was reduced from five years to two years
- On 6 April 2006, the deferred pension age changed to age 65

### **AFPS 75**

AFPS 75 deferred pension member whose service ended **before 6 April 2006**, should claim their pensions, from Veterans UK, at age 60.

AFPS 75 deferred pension members whose service ended on or after 6 April 2006, but who had at least two years service before 6 April 2006, should claim the proportion of their pension which relates to their pre 6 April 2006, service at age 60 with the remainder becoming payable at age 65.

### **AFPS 05**

AFPS 05 was introduced in 2005 and for those joining or rejoining the Regular Armed Forces from 6 April 2005. Serving members of AFPS 75 were given the opportunity to transfer to AFPS 05 by 6 April 2006.

AFPS 05 deferred pension members should claim their pensions from Veterans UK at age 65.

## **RFPS 05**

RFPS 05 is a scheme applicable for those starting or renewing a Full Time Reserve Service commitment /contract from 6 April 2005 and Serving members of FTRSPS 97 were given the opportunity to transfer to RFPS 05 by 6 April 2006.

AFPS 05 and RFPS05 deferred pension members should claim their pensions from Veterans UK at age 65.

## **Claiming an Early Payment of a Pension in the Event of Permanent ill Health**

A deferred member of any of the pension schemes mentioned above, is entitled to apply to claim for an immediate payment of a deferred pension and lump sum before reaching age 65 and

- In the opinion of Veterans UK (who has received evidence from a medical practitioner or other specialists) that the deferred member has suffered a permanent break down in health which has left them unable to work full-time, in any capacity, and this condition will continue until deferred pension age (age 65).
- He is not an active member of another occupational pension scheme
- Early payment of the pension may be subject to review and stopped if it is considered that the criterion for payment was no longer met.

## **Early Payment of Deferred Pensions with Actuarial Reduction**

A deferred member can claimed for an immediate payment of a deferred pension but with an actuarial adjustment to take account of the longer period for which the pension will be in payment. The ages from which this form of early payment may be claimed are:

- AFPS 75 member - the proportion of the deferred pension payable at age 65 may be claimed from age 60;
- AFPS 75 Pension Credit Member (PCM)\* – If this pension is the result of a Pension Sharing Order (PSO) and the PSO has taken effect then the PCM can opt to claim it from age 55
- AFPS 05 - from age 55. Such a claim will not affect any EDP payments which are being paid.
- AFPS 05 PCM\* – If this pension is a result of a Pension Sharing Order (PSO) and the PSO has taken effect then the PCM can opt to claim it from age 55
- Reserve Forces Pension Scheme (RFPS) from age 55
- RFPS 05 PCM\* - If this pension is a result of a Pension Sharing Order(PSO) and the PSO has taken effect then the PCM can opt to claim it from age 55

\* Pension Credit Member (PCM) – This relates to an ex spouse of the member in whose favour a Pension Sharing Order has been made by a Court as part of a divorce settlement. A PCM becomes a member of their ex-spouses pension scheme and they are a member of that pension scheme in their own right

**Reduced life expectancy**

Deferred members of AFPS 05 and RFPS 05 and Pension Credit Members of these schemes, with a reduced life expectancy of 12 months or less may claim their deferred entitlement earlier. Applications of this nature should be made to Veterans UK

**What do I do next?**

Veterans UK will not contact you to commence payment of a deferred Pension you must contact them. To find out if you are entitled to a deferred pension ring or write to the Veterans UK Enquiry Service on 0800 085 3600 or 94560 3600 or alternatively:

E-mail: [Veterans-uk@mod.uk](mailto:Veterans-uk@mod.uk)