

NEW ARMED FORCES PENSION SCHEME INITIAL CONSULTATION RESULTS

Introduction

1. This document provides details of the initial consultation results in support of the development of a new Armed Forces Pension Scheme. Further information on the background to the initial consultation phase can be found on the [Initial Consultation page](#).
2. MOD has established a team to develop the Future Armed Forces Pension Scheme; that team is also responsible for conducting the consultation process. The process consists of: an initial phase (March-May 2012) which gathered the views of Service personnel and other interested parties via a Consultation Document, questionnaire, focus groups and briefings; and a final phase (July-August 2012) involving the publication of the Outline Scheme Design, which provides a further opportunity for Service personnel and external groups to submit comments (see [Outline Scheme Design](#)).
3. During the initial phase, over thirteen weeks, the Future Armed Forces Pension Scheme team:
 - Visited 52 sites, including Afghanistan, Germany, Gibraltar and the Falkland Islands.
 - Gave 69 presentations to over 8,800 people (including families).
 - Held 154 focus groups with over 2,100 people (including families).
 - Received comments from interested groups, including the Royal British Legion, the Forces Pension Society and the Forces Families Federations.

CONSULTATION: BRIEFINGS AND FOCUS GROUPS

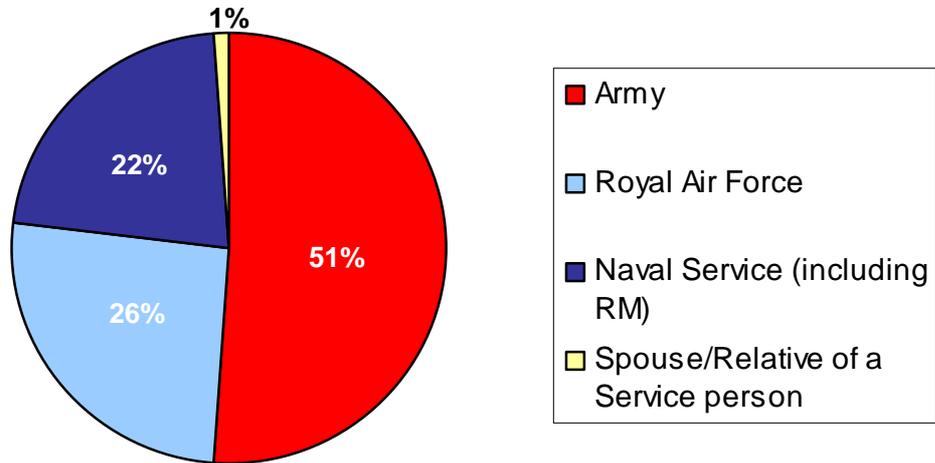
Date	Place Name	Service	NUMBER OF PRESENTATIONS	NUMBER OF FOCUS GROUPS	Total no' in presentations	Total no' in focus groups
06-Mar-12	Hereford	Army	1	3	174	57
07-Mar-12	RCDM, Selly Oak	Joint	1	1	31	11
08-Mar-12	Def Academy (ACSC), Shrivenham	Joint	2	1	200	6
08-Mar-12	RTMC, Chilwell	Joint	1	2	92	83
13-Mar-12	HQ Army, Andover	Army	1	4	94	50
14-Mar-12	RAF Halton	RAF	2	4	297	46
14-Mar-12	Frimley Park hospital	Joint	1	2	54	56
15-Mar-12	16 AA Bde, Colchester	Army	1	4	206	65
19-Mar-12	HQ ARRC, Innsworth	Army	1	3	312	35
20-Mar-12	RAF Honington	RAF	1	4	175	65
20-Mar-12	Def Academy (HCSC), Shrivenham	Joint	2	0	30	0
21-Mar-12	RAF Marham	RAF	1	4	248	50
22-Mar-12	SAAvn, Middle Wallop	Army	1	1	22	10
21-Mar-12	1 and 2 Mech Bdes, Tidworth	Army	1	3	71	50
27-Mar-12	RAF Northolt	RAF	1	3	73	18
28-Mar-12	MOD Main Bldg, London	Joint	1	2	90	10
29-Mar-12	PJHQ, Northwood	Joint	1	1	22	4
26-Mar-12	Hohne	Army	1	4	190	53
27-Mar-12	Gutersloh	Army	1	4	206	43
28-Mar-12	Herford	Army	1	4	259	63
29-Mar-12	Rheindahlen	Army	1	4	250	50
03-Apr-12	DE&S, Abbey Wood	Joint	1	1	47	22

Date	Place Name	Service	NUMBER OF PRESENTATIONS	NUMBER OF FOCUS GROUPS	Total no' in presentations	Total no' in focus groups
04-Apr-12	RAF Brize Norton	RAF	1	3	243	57
12-Apr-12	Gurkha Coy (Sittang), Sandhurst	Army	1	3	60	51
16-Apr-12	Chaplains, Aampton House	Joint	1	1	22	18
17-Apr-12	HQ Air, High Wycombe	RAF	1	4	162	80
18-Apr-12	Naval Command HQ, Portsmouth	RN	2	3	65	28
16-20 Apr	BFSAI	Joint	3	5	118	79
17-Apr-12	HMS Clyde, Falkland Islands	RN	1	0	39	0
24-Apr-12	HM Naval Base Devonport	RN	1	3	268	45
25-Apr-12	CTCRM, Lymington	RN	2	3	427	31
26-Apr-12	RNAS Yeovilton	RN	2	4	384	51
01-May-12	Lisburn	Army	2	4	162	45
01-May-12	RAF Lossiemouth	RAF	2	4	97	44
03-May-12	RAF Leuchars	RAF	1	3	167	22
08-May-12	HMS Sultan	RN	2	3	186	23
09-May-12	ITC, Catterick	Army	2	4	195	57
10-May-12	RAF Leeming	RAF	2	4	159	50
14-May-12	Camp Bastion	Joint	1	4	487	53
15-May-12	Lashkar Gar	Joint	1	4	87	60
16-May-12	HQ 2 Div, Edinburgh	Army	1	3	428	40
17-May-12	LONDIST units	Army	1	3	502	51
21-May-12	HM Naval Base Faslane	RN	1	4	145	33
22-May-12	RAF Coningsby	RAF	2	4	169	67
22-May-12	SPVA, Glasgow	Army	2	3	88	31
23-May-12	RAF Waddington	RAF	1	4	144	60
24-May-12	RAF Cranwell	RAF	1	3	100	53
29-May-12	RAF Benson	RAF	2	3	184	25
30-May-12	RAF Odiham	RAF	1	4	142	69
31-May-12	Household Cavalry	Army	1	0	140	0
31-May-12	HMS Collingwood	RN	2	2	191	31
29-31 May	Gibraltar Regt	Army	1	3	135	40
Total Sites	52	13 wks	69	154	8,839	2,141

4. In addition to the face-to-face briefings and focus groups, over 17,500 Service personnel, including a small number of families, completed a questionnaire (either online or in hard copy). The participation levels broadly reflected the membership of the current Armed Forces Pension Schemes.

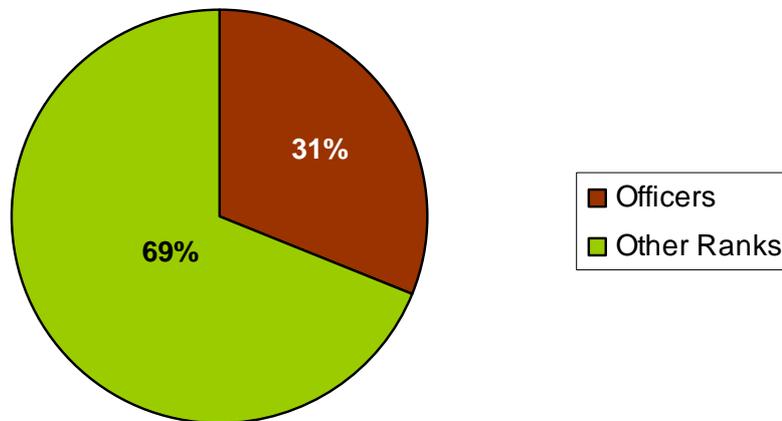
Replies by Service: total 17,551

Which Service are you in?



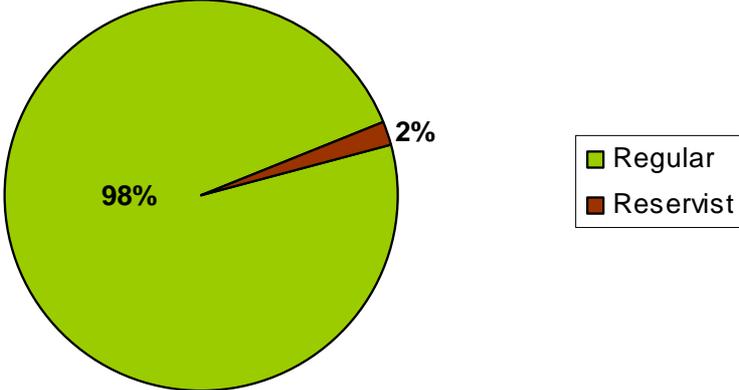
Replies by Officers and Other Ranks

Are you an Officer or Other Rank?



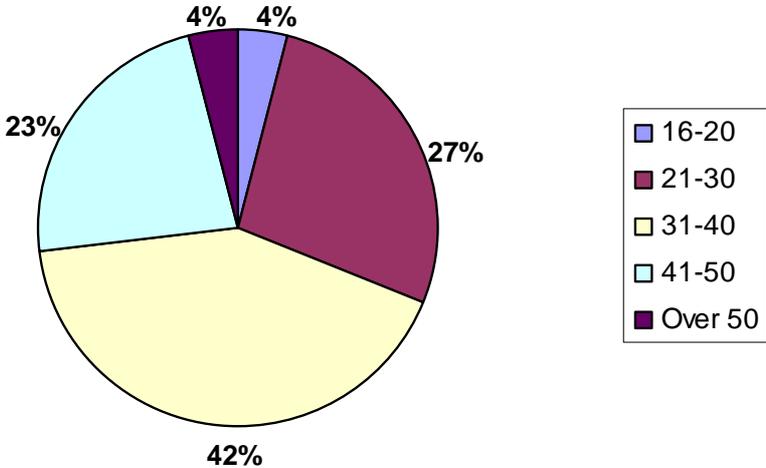
Replies by Regulars and Reservists

Are you a Regular or Reservist?



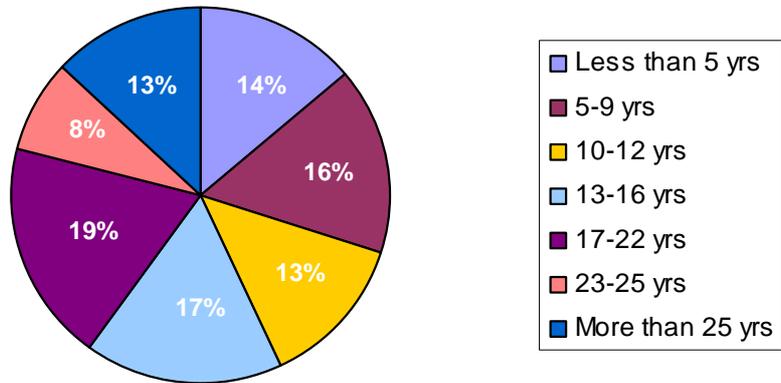
Replies by Age

What age are you?



Replies by Length of Service

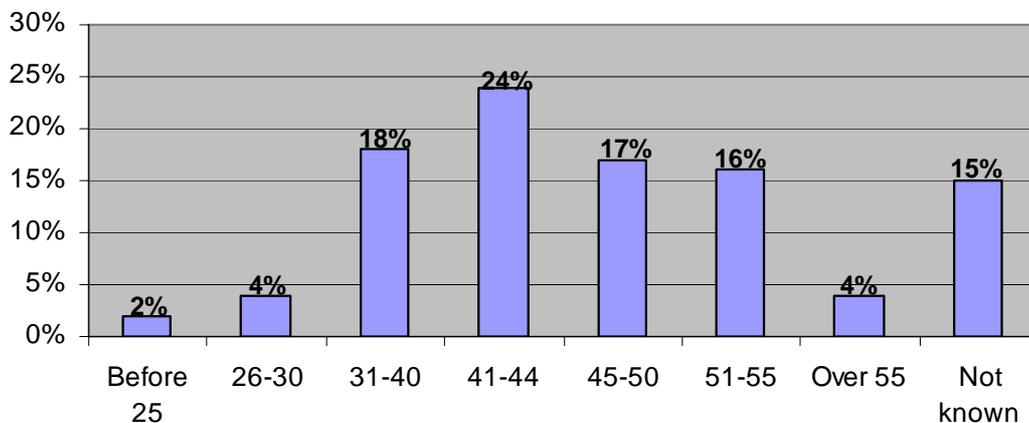
How long have you served in the Armed Forces?



5. The first policy question in the questionnaire asked Service personnel to provide an indication of **how long they intended to serve**. Currently, only 2.5% serve beyond age 50. However, the results showed that 20% would be interested in serving into their 50s, if given the opportunity:

At what age do you intend to leave the Services?

At what age do you intend to leave?



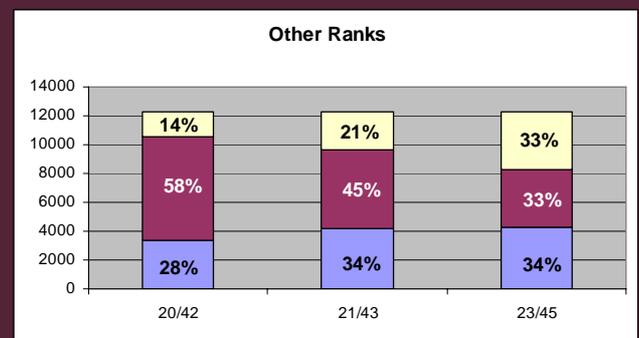
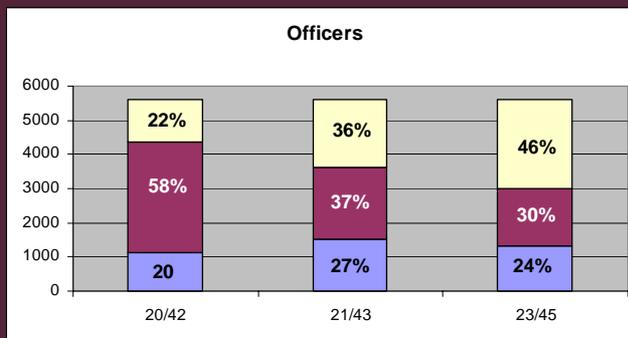
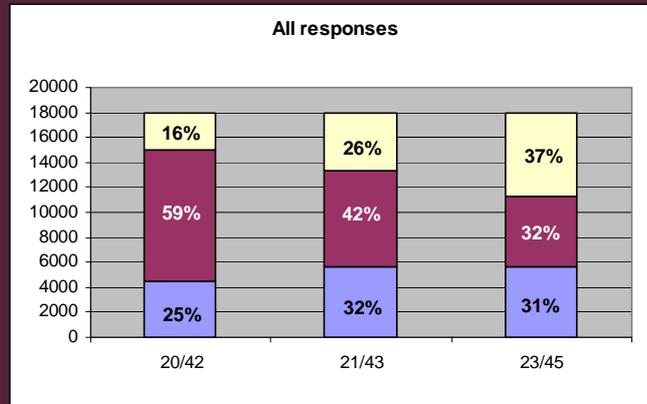
6. The next question asked about the **Early Departure Payment (EDP) qualification point**. The Armed Forces Pension Scheme 2005 (AFPS 05)¹ pays an EDP from age 40, on exit from the Armed Forces, if an individual has served for a minimum of 18 years. No other public service scheme pays a regular retirement income from such an early age and this is a significant element of scheme costs. As all public servants will have to work longer before receiving a pension in the new schemes, MOD considered the status-quo unsustainable and Service personnel were asked their views on a range of EDP qualifying service options. 59% of all respondents said they would be willing to complete 20 years' service (with a minimum age of 42) to earn an EDP. This reduced to 42% for 21 years' service (and aged 43), and 32% for 23 years' service (and aged 45). As can be seen from the following graphs, there were no significant differences between the views of the three Services or between Officers and Other Ranks:

Reactions to possible EDP qualification criteria by Services



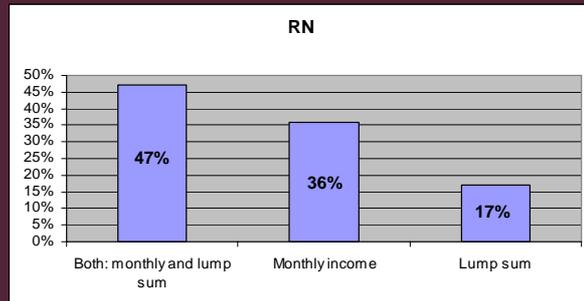
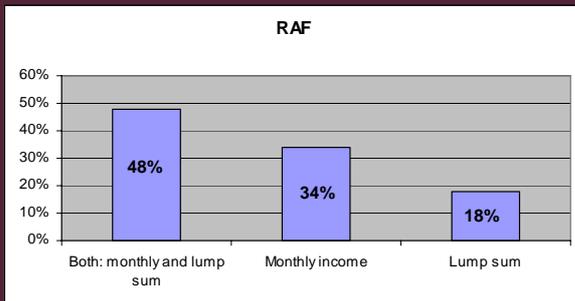
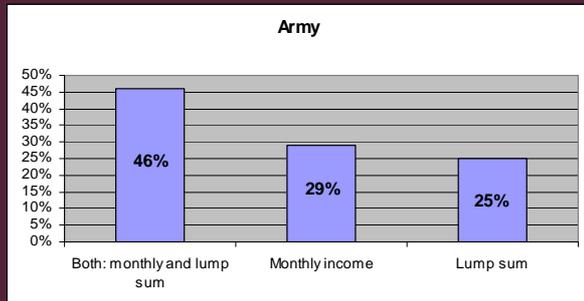
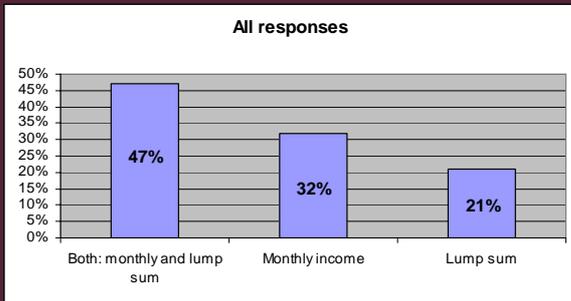
¹ The design of the new scheme was set against AFPS 05, because AFPS 75 is closed to new entrants.

Reactions to possible EDP qualification criteria by Officers and Other Ranks

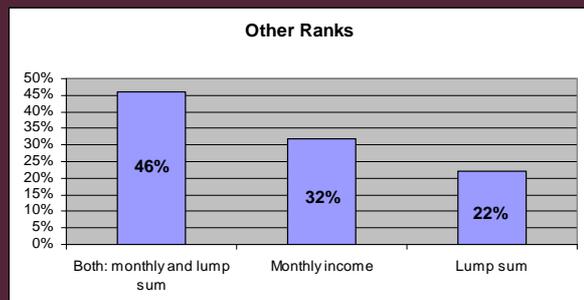
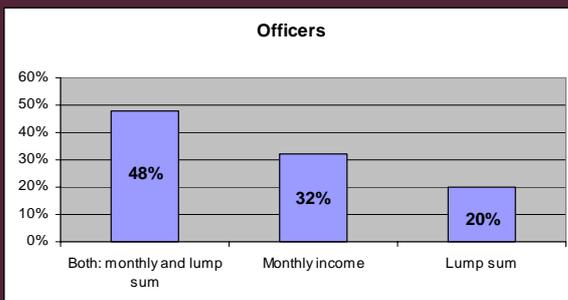
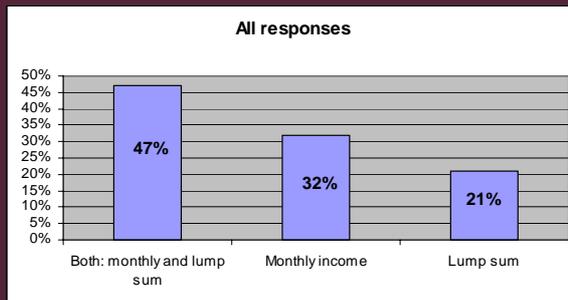


7. The following question asked about the **composition of the EDP**. AFPS 05 members, who serve to the current qualification point, receive both an EDP income stream and an automatic tax free lump sum of 3 times the full pension. Service personnel were asked for their views on the relative importance of the EDP lump sum and monthly income stream. 47% of all respondents said both elements were important. Additionally, there was feedback from all the focus groups who said it was difficult to assess the relative importance of each EDP element early in a Service career, as it would depend upon personal circumstances. Without exception, every focus group expressed a preference for maximising choice between the three elements, close to the point of exit from the Armed Forces, if rules permitted. The following two graphs show there were no significant differences between the views of the three Services or between Officers and Other Ranks:

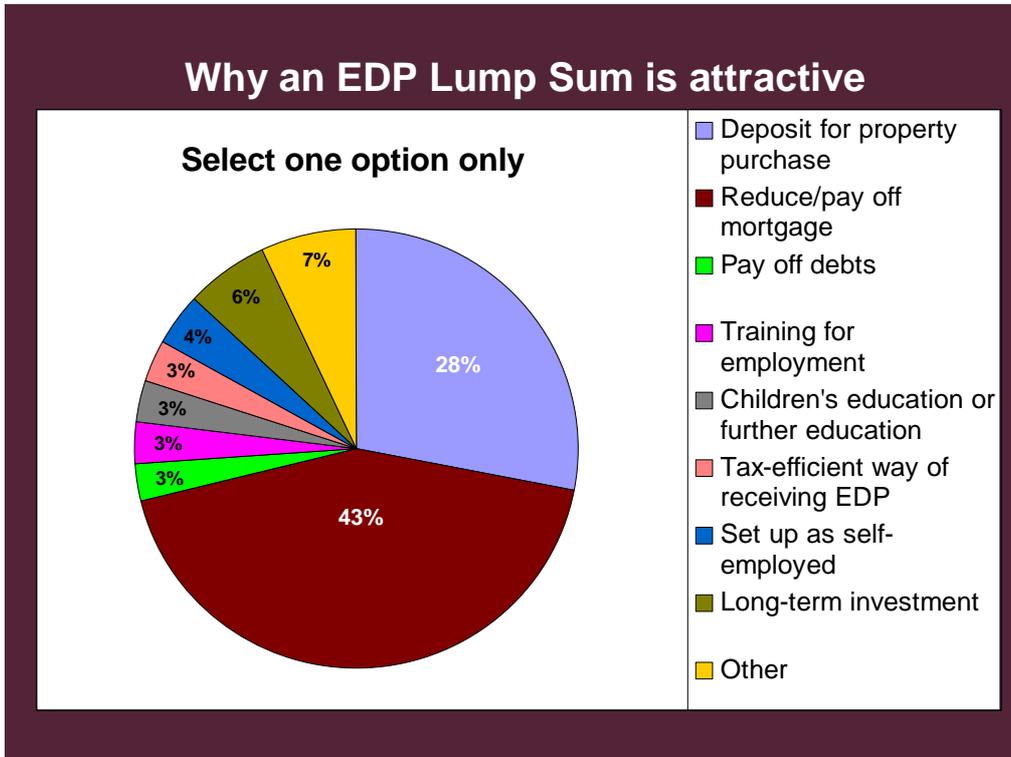
Most important EDP element by Services



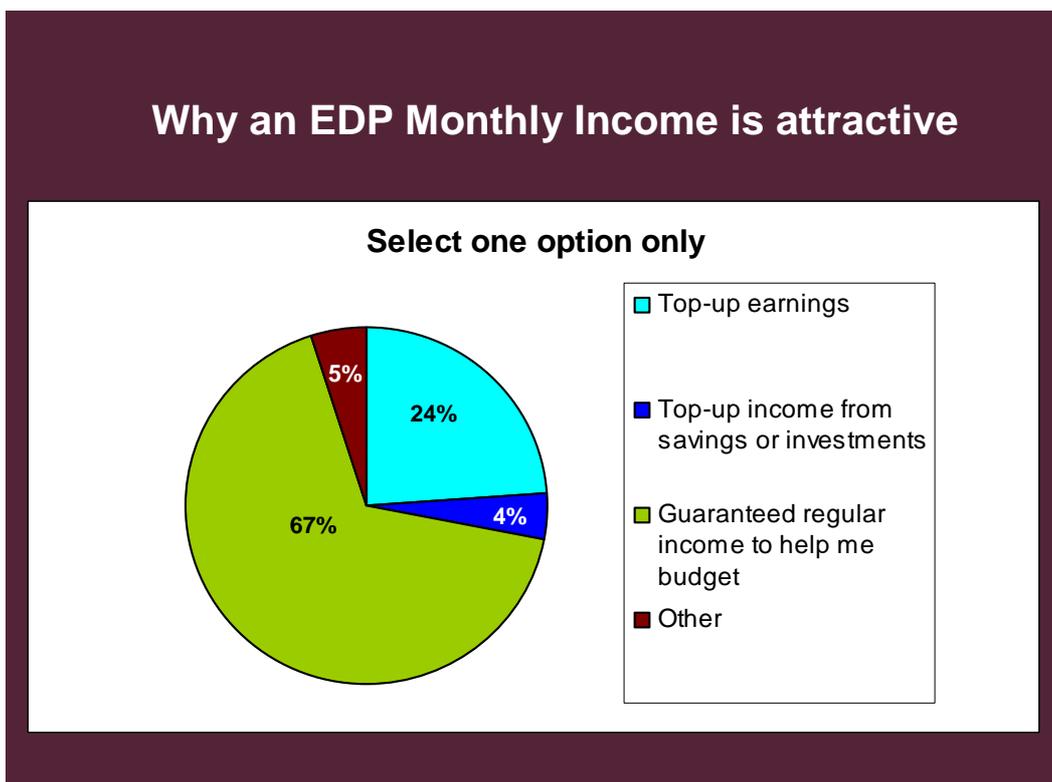
Most important EDP element by Officers & Other Ranks



8. The next question asked **why an EDP Lump Sum would be attractive**. Eight possible reasons were offered, as well as 'Other' (with a free-text box to allow individuals to give further details). 71% of respondents identified an EDP Lump Sum as being attractive in support of property purchase (either as a deposit or to reduce/pay off a mortgage):

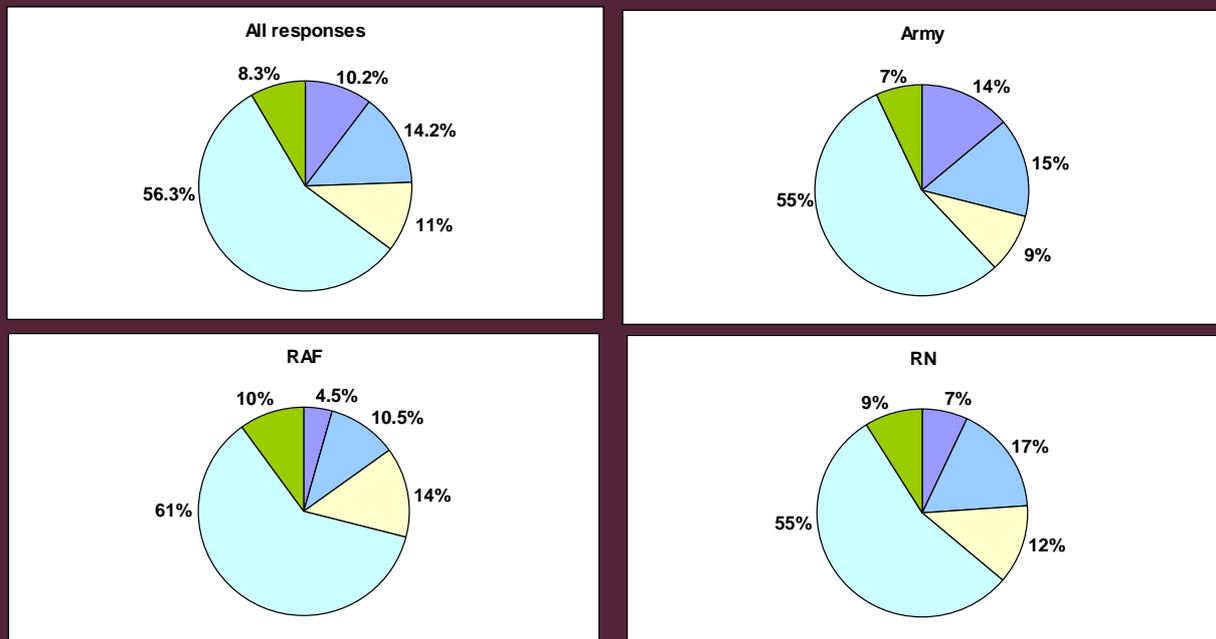


9. Similarly, the next question asked **why an EDP Monthly Income would be attractive**. This time, three possible reasons were offered, as well as 'Other' (again with a free-text box to allow individuals to give further details). 67% of respondents identified an EDP Monthly Income as being attractive as a guaranteed regular income, which helped individuals to budget:

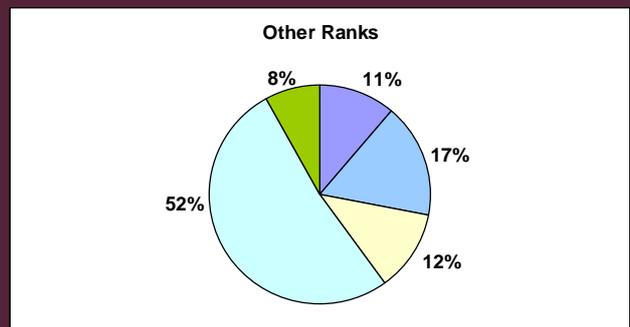
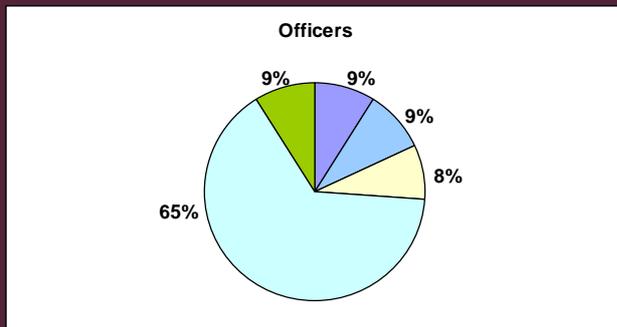
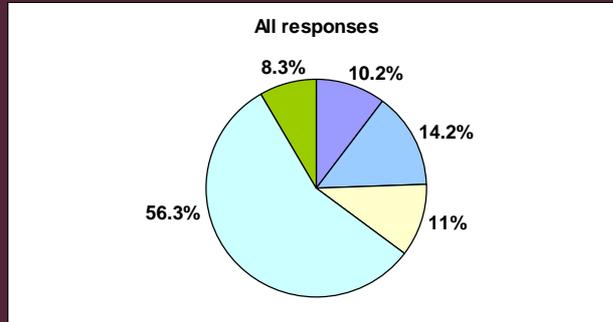


10. The final question concerned **representation on a new Pension Scheme Governance Board**. Currently, responsibility for the Armed Forces pension schemes rests with the Secretary of State for Defence, who discharges this responsibility through MOD civil servants working closely alongside Service pay and pension personnel. MOD considers that members should have more say in the way their pension schemes are run and Service personnel were asked for their views on how they would wish their individual or collective views to be represented. 56% of all respondents favoured some independent representation, such as the Forces Pension Society, to help represent their interests. The following graphs show there were no significant differences between the views of the three Services or between Officers and Other Ranks:

Representation on Pension Board by Services



Representation on Pension Board by Officers and Other Ranks



11. Additionally, a third of respondents added comments to the free-text box at the end of the questionnaire. These comments were analysed by the Future Armed Forces Pension Scheme team and taken into account during the design of the new scheme.
12. For information on how MOD has used these results to inform the development of the new scheme, see [Outline Scheme Design](#).
13. MOD wishes to express its gratitude to all who completed the survey, attended a presentation and focus group or emailed their views.