



Ministry
of Defence

MMP116

Armed Forces and Reserve Pension Schemes

RE-EMPLOYMENT

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1 About This Guide

1.1 This booklet does not provide legal or financial advice. It is intended to assist scheme members who have re-joined the Armed or Reserve Forces or who may do so in the future. Its purpose is to explain the effect re-employment may have on pension or other benefits you have received when you left the Armed Forces or Reserve Forces, including deferred benefits, and to explain where you can get further information. There are some special pension terms that you need to know: you can find them at Annex A. They appear in bold italics throughout this booklet.

1.2 There are three Armed Forces Pension Schemes (AFPS) for members of the Regular Armed Forces:

AFPS75 was introduced in 1975 and was closed to new entrants or re-joiners on or after 6 April 2005.

AFPS05 is the scheme applicable to those who joined or re-joined the Regular Armed Forces between 6 April 2005 to 31 March 2015. Serving members of **AFPS75** were given an opportunity to transfer to **AFPS05** by 6 April 2006. Only those with **Transitional Protection** can re-join **AFPS05** on or after 1 April 2015.

AFPS15 was introduced on 1 April 2015 for new entrants to the Regular and Reserve Armed Forces. Members of the Armed Forces and Reserve Forces Pension Schemes who did not meet the **Transitional Protection** criteria and who were in service on 1 April 2015 transferred to **AFPS15**. **Transitional Protection** was only granted to individuals who, as of 1 April 2012, had ten years or less to serve to reach their **Legacy Pension Scheme's Normal Retirement Age** of which they were a member. If you have **Transitional Protection**, you will remain a member of the pension scheme you were in prior to 1 April 2015. If you leave and have **Transitional Protection** and are planning to re-join the Armed Forces with a break of five calendar years or less you will automatically be enrolled in **AFPS05** or **RFPS05** as appropriate to your engagement. If you left with **Transitional Protection** but the break is more than five calendar years you will lose your **Transitional Protection** and join the **AFPS15** scheme.

If you left Service without **Transitional Protection**, you will have retained accrued rights to the rules of the pension scheme you were a member of before the introduction of **AFPS15** and the entire pension you earned up to 1 April 2015 is protected. If you are planning to re-join you will join the **AFPS15** scheme.

1.3 There are three Reserve Forces Pension Schemes for members of the Reserve Forces:

FTRSPS97 was introduced in 1997 and is the scheme applicable to those who commenced a Full Time Reserve Service (**FTRS**) commitment/contract as a member of the Reserve Forces before 6 April 2005. It was closed to new entrants and re-joiners from 6 April 2005.

RFPS05 is the scheme applicable to those who commenced an **FTRS** commitment/contract from 6 April 2005 to 31 March 2015 and includes those who were mobilised

during that period. Serving members of **FTRSPS97** were given an opportunity to transfer to **RFPS05** by 6 April 2006. Only those starting or renewing a Full Time Reserve Service (**FTRS**) or ADC commitment/contract that hold **Transitional Protection** can re-join **RFPS05** on or after 1 April 2015.

AFPS15 was introduced on 1 April 2015 for new entrants of the Reserve Forces and those who re-joined **FTRS** after that date who did not meet the **Transitional Protection** criteria. Those members of **FTRSPS97** and **RFPS05** who did not meet the **Transitional Protection** criteria and were in service on 1 April 2015 transferred to **AFPS15**.

IMPORTANT: This booklet does not give a full explanation of the relevant pension scheme rules. If there are any differences between the legislation and an explanation in this booklet, the legislation will take precedence.

1.4 Unit administrative or personnel staffs can only provide information and an explanation of benefits under the schemes; they cannot provide advice in relation to your pension decisions. Your best options will depend on your particular personal circumstances and you should seek independent legal or financial advice as required.

CHAPTER 2

General Rules on Re-employment

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2 General Rules on Re-employment

Abatement

2.1 It is the policy of successive Governments that those who leave Public Service with a pension in payment and take up further employment covered by the same pension scheme or the same employer, or employment on closed competition terms, should not earn more by way of pension and new salary than they earned on their last day of Regular service. The benefits of ex-Service personnel will be affected if they take up Public Service employment for which Armed Forces experience is a pre-requisite. The rules that govern how pensions, Early Departure Payments (**EDP**), Resettlement Grants (**RG**) and Redundancy Compensation payments are treated when personnel re-join the Armed Forces are complex. Prior to making any decisions about re-joining, personnel are advised to check the effects it may have on their pensions, Early Departure Payments 05/15 (**EDP 05/EDP 15**) and **RG**.

2.2 In reference to **AFPS15**, Lord Hutton's Independent Public Service Pensions Commission recommended that pension benefits earned under **AFPS15** will not be abated. However, it is important to note that **Transitional Members** with accrued rights in their **Legacy Pension Schemes** will still be subject to the **abatement** policy under their **Legacy Pension Scheme**. Where the member is receiving a pension from a **Legacy Pension Scheme** in addition to a pension from the **AFPS15** scheme, and then re-joins, even though the **AFPS15** pension is not abated its value will be included in the **abatement** calculation.

2.3 There will be no effect on any Armed Forces pension or **EDP** benefits for those who leave the Armed Forces and take up employment in the private sector.

Re-employment – Which Pension Scheme will **Transitional Protection** Members Re-join

2.4 **AFPS75** Members with **Transitional Protection** who leave and re-join the Armed Forces within 30 days will re-join **AFPS75**. A break of less than 30 days is classed as continuous service for pension purposes. If the break in service is longer than 30 days they will join **AFPS05**. Those **AFPS75** members without **Transitional Protection** will automatically join **AFPS15**.

2.5 **AFPS05** members with **Transitional Protection** will re-join **AFPS05**. Those members without **transitional protection** will automatically join **AFPS15**.

2.6 Members whose last period of service was in **RFPS05** or **FTRSPS97** who re-join will become members of **AFPS15** unless they have **Transitional Protection** then they will re-join **RFPS05**.

2.7 With these rules in mind, the effect on pension, **EDP** benefits or **RG** will depend on a number of factors relating to both former and re-employed service.

Recovery of Redundancy Payment, Resettlement Grant and *EDP*

2.8 These payments are to assist the individual when they leave the Armed Forces. However, if after receiving one of these payments the member is re-employed in the Armed Forces or the Reserves they may be asked to pay back some or all of the payment. If sufficient time elapses between the payment and re-employment in the Armed or the Reserve Forces, no repayment may be necessary.

2.9 Those Regulars or Reserves who have re-joined or plan to re-join at a future date will need to refer to the appropriate chapter for further information as to how their pension benefits, *EDP* benefits, *RG* or Redundancy Compensation Payments might be affected on re-employment. The chapter to refer to will depend on whether they meet the *Transitional Protection* criteria or not.

CHAPTER 3

Effect on Benefits – Re-employment – Transitional Protection Members

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3 Effect on Benefits – Re-employment – Transitional Protection Members

Transitional Protection Member

3.1 Service Personnel who retain **Transitional Protection** will re-join their previous pension scheme or the last open **Legacy Pension Scheme** relevant to their engagement. This is providing they meet the **Transitional Protection** criteria for the scheme they are re-joining and the gap in pensionable service is five calendar years or less. All other re-joiners, including those who have lost or no longer qualify for **Transitional Protection** will join **AFPS15**.

Note: After a gap in service of 30 days or more a member of **AFPS75** with **Transitional Protection** must re-join **AFPS05** – the last open pension scheme relevant to their engagement. They cannot re-join **AFPS75**.

Transitional Protection Criteria

3.2 **Transitional Protection** was awarded to Serving Members who were within ten years of their pension schemes' **Normal Retirement Age** on 1 April 2012. If they choose to re-join the Armed or the Reserve Forces they will retain **Transitional Protection** providing the gap in Service is five calendar years or less and they meet the **Transitional Protection** criteria of the pension scheme they are re-joining. Those who do not meet the **Transitional Protection** criteria of the **Legacy Pension Scheme** will join **AFPS15**.

Transitional Protection Awarded to Deferred Members

3.3 Those who left service prior to 1 April 2012, with a deferred pension but who would have been awarded **Transitional Protection**, if they had remained serving until that date, will also be awarded **Transitional Protection** upon re-joining subject to the following conditions:-

- **Transitional Protection** members whose break in service is five calendar years or less will join the **Legacy Pension Scheme** as described at Annex B.
- **Transitional Protection** members whose break in service is more than five calendar years will lose their **Transitional Protection** and will join **AFPS15**.
- **Transitional Protection** members must choose¹ to either aggregate the former period of service with the new period of service or keep the earlier deferred pension separate and start a new and entirely separate pension.

¹ The choice to aggregate must be made before leaving service and before the pension comes into payment.

Transitional Protection Awarded to a Pensioner Member

3.4 Those whose pension comes into payment before they re-join can still maintain their **Transitional Protection** status subject to the following conditions:-

- **Transitional Protection** members must re-join the Armed or the Reserve Forces into a **Legacy Pension Scheme** in which they qualify for **Transitional Protection**.
- To keep **Transitional Protection** members must re-join within five calendar years or less.
- **Transitional Protection** members will have a new and separate pension account established as the pension from the previous period of Service is already in payment (even if the pension is being abated).
- **Transitional Protection** pensioner members must vest again (i.e. an individual must complete a minimum period of two years qualifying service to accrue further pension benefits).

Extending Transitional Protection

3.5 If the gap in service is more than five calendar years then **Transitional Protection** is lost. Individuals will join **AFPS15** and must vest again. However **Transitional Protection** is maintained even if the gap is greater than five calendar years, where the individual has spent periods of time as a member of another public sector pension scheme,² providing no single gap between memberships of the different public sector pension schemes has been more than five calendar years. The individual will re-join either the same **Legacy Pension Scheme** that the **Transitional Protection** was originally awarded from, or the last open **Legacy Pension Scheme** appropriate to their new engagement.

3.6 If after leaving the Armed Forces an individual who qualified for **Transitional Protection** joined a public sector pension scheme under which they do not qualify for **Transitional Protection** the protection will be lost and will not be regained. If they subsequently re-join the Armed Forces they will become members of **AFPS15** and will be required to vest in the scheme.

The Legacy Pension Schemes Those with Transitional Protection will Re-join

3.7 Annex B shows which **Legacy Pension Scheme** those with **Transitional Protection** will re-join.

Aggregation of Deferred Benefits

3.8 A **Transitional Protection** member can opt to **aggregate** their last period of deferred pensionable service in accordance with the pension scheme rules of the pension scheme they join or re-join (see Annex C).

Opportunity to Aggregate a Deferred Pension

3.9 **Transitional Protection** members who re-join the Regular Armed Forces with previous deferred benefits in **AFPS75** or **AFPS05** may apply to **aggregate** their previous **AFPS05** service or their last period of **AFPS75** pensionable service with benefits built up during a latter period of service. The option to **aggregate** these benefits under **AFPS05** can be exercised at any time during the new period of service but must be taken before final discharge.

2 Other Public Service Pension Schemes include (but are not limited to); Police, Fire Brigade, NHS, Teachers, Civil Service, Local Government, Judiciary.

3.10 If you re-joined **AFPS05** and did not choose to **aggregate** or transfer your deferred pension benefits, you should note that you would have had to build up two years' service to qualify for further pension benefits, other than the death-in-service lump sum.

3.11 If your **AFPS75** deferred pension is in respect of service before 6 April 2006, you will need to carefully consider the effect that **aggregation** or transferring could have on the date at which your deferred pension would be paid.

3.12 Under **AFPS75** the deferred pension is payable at age 60 for service before 6 April 2006 and age 65 for service accrued after that date. Once you have chosen to **aggregate** your last period of service of **AFPS75** with your **AFPS05** pension then your aggregated deferred pension will be paid at age 65.

3.13 Ex-Regulars who joined the **FTRS** who have deferred benefits in **AFPS75** or **AFPS05** may apply to transfer their deferred benefits to the **RFPS05**. Periods of Regular and Reserve service cannot be aggregated.

3.14 If you are considering transferring benefits from **AFPS75** to **RFPS05** you need to think carefully about any possible impact on when the deferred pension was due for payment for these earlier benefits. See booklets "**Your Pension Scheme Explained – Reserve Forces Pension Scheme**" – MMP/146 and "**Transferring Benefits**" – MMP/129 for more information.

3.15 If you have an **AFPS75** pension in payment (irrespective of the level of **abatement**) you will need to build two years qualifying service to qualify for benefits payable under **AFPS05** other than death in service benefits.

3.16 If pension benefits have come into payment they are not transferable nor can they be aggregated.

3.17 Further details about **aggregation** of your **Legacy Pension Scheme** benefits if you should lose your **Transitional Protection** and become a member of **AFPS15** can be found in Chapter 4.

Abatement of Pension Award

3.18 When a **Transitional Protection** member re-joins the Armed or Reserve Forces with a pension already in payment, it will be abated in accordance with the **Legacy Pension Scheme** rules that are applicable to them (See Annex D).

Abatement of Immediate Pension (IP) under AFPS75 or Pension under AFPS05

3.19 If you left with an **IP** under **AFPS75** then re-joined the Armed Forces (including MPGS) or accepted an **FTRS** or ADC commitment that exceeds six months in post, your **IP** will be reduced or suspended so that your new rate of pay together with your **IP** does not exceed your old rate of pay (adjusted to take account of changes to the **Consumer Prices Index**). This **abatement** continues throughout the period of re-employment. The same rule applies to **AFPS05** pensioners as applies to those receiving an **IP**. A change in circumstances may lead to the **abatement** being reassessed to take account of these circumstances.

3.20 **AFPS05** members can opt to exchange their pension lump sum (normally tax-free) for an improvement to their taxable pension and/or that of their dependants. This is called **inverse commutation**. Individuals who re-joined having opted for **inverse commutation** may see their pension reduced, but any inversely commuted income stream will remain in payment.

Effect on Early Departure Payment Scheme 05 (*EDP05*) Benefits

3.21 A **Transitional Protection** member who was awarded an **EDP05** award who re-joins the Armed Forces or Reserve Forces will still be subject to the **EDP05** scheme rules on re-joining.

3.22 **EDP05** is, in part, compensation for not having a full Armed Forces career much beyond the **EDP05** 18/40 Point. Therefore there are implications for those who either re-join the Regular Armed Forces or who are mobilised under the Reserve Forces Act 1996 (RFA 96) (or any corresponding provision of the Reserves Forces Act 1980 (RFA 80)), or accept an **FTRS** post.

Effect on *EDP05* Income Payments

3.23 Ex-Regulars re-joining the Armed Forces will have their **EDP05** income stream stopped. If you are serving on mobilisation, the loss of your **EDP05** income will be taken into account when the pay you receive as a reservist is determined.

3.24 When you leave the Armed Forces again the following will apply:

- If you were mobilised under Parts 4, 5, 6 or 7 of RFA 96 and you are demobilised before the age of 55 your **EDP05** income stream will restart at the same level. Your deferred pension will be adjusted to take account of your additional service but your **EDP05** will not be recalculated.
- If you are demobilised after age 55 your **EDP05** income stream will not restart instead you will receive your pension immediately including your pension lump sum payment.
- If your service is normal Regular service, and you leave again before the age of 55, your **EDP05** income and lump sum will be recalculated to reflect the additional service you have given. If you leave at or after age 55 your pension is payable immediately instead of your **EDP05** income stream.
- If your service is on an **FTRS/ADC** commitment/**NRPS** engagement, your **EDP05** income stream will:
 - i) restart at its original level if you are under age 55;
 - ii) increase to 75% of your deferred pension and become index-linked if you are over age 55 but under age 65; or
 - iii) stop and be replaced by your pension if you are age 65 or over.

Effect on *EDP05* Lump Sum

3.25 If you are a **Transitional Protection** member re-joined the Regular Armed Forces voluntarily or accepted an **FTRS** appointment (including Additional Duties Commitment (ADC)) or Non Regular Permanent Staff (**NRPS**) without a break of at least the period represented by the **EDP05** lump sum, you will have to pay back the 'unexpired' proportion. This means that if your **EDP05** lump sum was of equivalent value to 12 months' pay, and you re-join the Armed Forces after six months, you would have to pay back half of the lump sum.

3.26 If you repaid part of your lump sum on taking up an **FTRS/ADC** commitment/**NRPS** job it is lost to you, as **RFPS05** do not include provisions for **EDP05**.

3.27 If you repaid part of your lump sum on re-joining the Regular Armed Forces and leave again before the age of 55, you will receive a revised **EDP05** lump sum based on your new total service less the amount of your original **EDP05** lump sum that you did not repay.

Example

The **EDP05** lump sum at the **EDP05** 18/40 Point is equivalent to approximately 282 days' pay (the lump sum is three times the annual pension, calculated as

18 years' relevant service $\times 3 \times 1/70 = 54/70$ (This is equivalent to 282 days). Thus an individual who re-joined the Regular Armed Forces three months (or 91 days) after receiving this lump sum would have to repay $(282 \text{ days} - 91 \text{ days}) = 191/282$ of his lump sum.

If you left again before the age of 55 you would receive a lump sum based on your total service less the amount of the lump sum not repaid.

3.28 Those with **Transitional Protection** under **AFPS75**, who re-joined **AFPS05**, may still be able to count their last period of deferred **AFPS75** pension service as "**relevant service**" towards qualifying for an **EDP05**. This is provided they had previously vested in the **AFPS75** scheme and their Immediate Pension (**IP**) has not come into payment. They must however take up the option to aggregate before they finally leave the Armed Forces.

Effect on Resettlement Grant (RG)

3.29 A **Transitional Protection** member will have the **Legacy Pension Scheme** rules that they join applied to them when qualifying for a **RG**.

3.30 If your **RG** was paid under **AFPS75**, the required break is 121 days for re-joiners of the Regular Armed Forces voluntarily and 30 days for joiners of FTRS. If you re-join the Regular Armed Forces in a period of less than 121 days any 'unexpired' period will be recovered. For example, if you re-joined the Regular Armed Forces after a break of 60 days, you would have to pay back 61 days' worth (or just over half) of your **RG**. Those joining FTRS within 30 days of receiving the **RG** will be required to repay the whole amount.

3.31 If you received a **RG** as an **AFPS05** member and re-join the Regular Armed Forces or start an FTRS engagement without a break of at least 30 days, you will have to repay all of your **RG**. If you later leave the Regular Armed Forces, and still qualify for a **RG**, it will be paid to you again; the same is not true for FTRS personnel whose conditions of service do not include **RGs**.

Effect on Ill Health Awards

3.32 A **Transitional Protection** member will have the rules of the **legacy pension scheme** they join applied to them.

AFPS75 – Ill Health Awards

3.33 The members' ill health pension will be abated on re-employment.

AFPS05 – Ill Health Awards

3.34 **AFPS05** ill-health benefits are paid under three tiers depending upon the seriousness of the condition which resulted in the medical discharge. The medical condition which results in the medical discharge will be deemed to belong to one of the following three tiers:

- **Tier 1:** for conditions which mean you are unfit to do your service job, but your ability to get gainful employment is not deemed to be significantly affected by the condition;

- **Tier 2:** for a breakdown in health which is not considered to leave you permanently incapable of gainful employment, although your employment prospects are deemed to be significantly impaired;
- **Tier 3:** for a breakdown in health which it is deemed leaves you permanently incapable of any further full-time employment.

3.35 It is possible that an individual who was discharged under Tier 1 could enjoy an improvement in health that would result in him becoming fit for military service again. The following sets out the rules and explains what would happen to Tier 1 and 2 benefits on re-employment.

Tier 1

3.36 If you are medically discharged under Tier 1, you will receive a tax-free lump sum to help you adjust to your new circumstances. The size of the lump sum will vary depending upon your pensionable pay and your length of service. The payment will be calculated on the basis of 1/8 of your pensionable pay multiplied by the length of your **relevant service**, subject to a minimum of six months' pensionable pay and a maximum of two years' pensionable pay.

3.37 If you are medically discharged under Tier 1 your pension benefits will be deferred until age 65. If, however, you have reached the age of 40, with at least 18 years' **relevant service** (the **EDP 05** 18/40 Point) you will be entitled to an **EDP05**. If you receive an **EDP 05** instead of a Tier 1 lump sum, you should read pages 11 and 12.

3.38 If you re-join the Armed Forces after a medical discharge under Tier 1, none of your break in service will count as reckonable service.

3.39 If you re-join within the amount of time represented by the payment, you would be required to repay the 'unexpired' proportion of the **EDP05** lump sum.

Example

If you were medically discharged under Tier 1 with a tax-free lump sum equivalent to 18 months' pensionable pay and were re-employed after 12 months, you would be required to repay the proportion equivalent to six months' pensionable pay.

3.40 On re-joining the "unexpired portion" of the Tier 1 Lump Sum is recovered. If an individual received an **EDP05** instead, then on re-joining the "unexpired portion" of the **EDP05** Lump Sum is recovered and the **EDP05** income stream ceases. The individuals' **EDP05** will be recalculated to take account of the additional service given. However any **EDP05** Lump Sum awarded on subsequent discharge will be reduced by the amount previously kept.

3.41 It is highly unlikely that an individual would be re-joining following a Tier 2 discharge but the following sets out what would happen. No example has been given of an individual re-joining after a Tier 3 discharge. This is because the extent of disability which would entitle an individual to Tier 3 benefits would be so significant that military fitness levels would never again be achieved.

Tier 2

3.42 If you are medically discharged under Tier 2, you may receive an ill health pension based on your reckonable service at the date of your discharge plus one-third of the service you could have built up if you had served on until the normal retirement age of 55. Age 55 is used irrespective of the engagement or commission you are serving under. You will also receive a pension lump sum (normally tax-free) equivalent to three times your annual pension.

Example

A person aged 25 who is medically discharged under Tier 2 after 8 years' reckonable service would receive an ill health pension based on 18 years' service (8 years' actual service plus one-third of the 30 years remaining until they are 55).

3.43 Re-joiners would be allowed to keep the **AFPS05** Pension Lump Sum but their lump sum would be reduced by the amount of the lump sum that they did not repay. The ill health pension will be stopped and the pension is placed into deferment and will be paid when the individual reaches their pension benefit age (65). The ill health enhancement will be lost forever, however the individual must work the 'unexpired portion' of the enhancement before they will accrue any further pension benefits. For instance, if they had received an award based on a four year enhancement, and re-joined after two years, they must work a further two years after re-joining before any further pension will be earned.

3.44 As the pension has already come into payment, the re-joiner must vest again before receiving any benefits from the **AFPS05** scheme.

Effect on Redundancy – Compensation Payments

3.45 Those **Transitional Protection** members who re-join having previously received a redundancy compensation payment from the Armed Forces may be required to repay all or some of the compensation payment if they are voluntarily re-employed in the Regular or Reserve Forces within the relevant period. The relevant period is the period of time that is represented by the value of the Compensation Lump Sum (CLS) / Special Capital Payment (SCP). This will apply to those who have:

- a. received a CLS under the Armed Forces Redundancy Scheme 2006 (AFRS 06) and were re-employed in the Armed and Reserve Forces within the relevant period.
- b. received a SCP under the Armed Forces Redundancy Scheme 2010 (AFRS 10) and were re-employed within the relevant period.

3.46 Further details are available within the Armed Forces Redundancy Scheme rules and **Armed Forces Redundancy booklet (MMP 138)**.

3.47 There is no requirement to repay CLS or SCP for Civil Service appointments under open competition terms.

Effect on Benefits – Mobilised Personnel

3.48 When **Transitional Protection** members are mobilised under Parts 4, 5, 6 or 7 of the RFA 96, (or any corresponding provision of RFA 80), they are treated differently from personnel joining or re-joining the Regular Armed Forces or FTRS. This is because they have no choice as to whether to be mobilised. In recognition of this compulsion, they are not required to repay their **EDP05** lump sum or their pension lump sum if they are in receipt of a pension under **AFPS75**. The RFA 96 and RFA 80 provide for the **AFPS75** pension to remain in payment without abatement as long as the service is for less than six months in duration.

3.49 Those **Transitional Protection** members mobilised under Parts 4, 5 or 6 of RFA 96 (or corresponding provisions of RFA 80) will be able to become members of **RFPS05**. Those called out under Part 7 of RFA 96 (or corresponding provisions of RFA 80) will be able to become members of **AFPS05**, unless they are in receipt of an **IP** under **AFPS75**, in which case they can opt for an enhancement to their **AFPS75** pension.

Effect on Repayment of Resettlement Commutation

3.50 Where a **Transitional Protection** member re-joins who has commuted a part of their **AFPS75** pension and their pension is subject to **abatement** until age 55 in whole or in part, a reduction in their pay or pension as appropriate will be made equal to the annual amount of pension commuted.

Note: Where there is insufficient pension remaining after **abatement** the reduction will be made partly from pension and partly from pay. Where the pension is totally abated the repayment will be taken from pay.

Effect on Repayment of Life Commutation

3.51 In respect of Life Commutation, the reduction will be made in pay, regardless of whether the **AFPS75** pension is abated in whole or in part.

CHAPTER 4

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4 Effect on Benefits – Re-employment – Transition Members

Effect on Benefits – Transition Members

4.1 Those who re-join the Regular Armed or Reserve Forces on or after 1 April 2015 who do not meet the **Transitional Protection** criteria will join **AFPS15**. There will also be members who re-joined the Regular Armed or Reserve Forces prior to 1 April 2015 who then transition to **AFPS15** because they did not meet the **Transitional Protection** criteria. On 1 April 2015, those joining the Part Time Volunteer Reserves (PTVR) or who were in service on that date will automatically become members of **AFPS15** for service from 1 April 2015.

Vesting

Counting Legacy Pension Service for Vesting

4.2 **Transition Members** prior periods of pensionable service given in **Legacy Pension Schemes** can only be used to vest in **AFPS15** if the gap in service is five calendar years or less. The following criteria also apply;

- a. If the **Transition Member** had vested in a **Legacy Pension Scheme** during previous service only service on or after 1 April 2010 may be counted towards the two calendar years vesting requirement of the **AFPS15** scheme, providing the gap in service is five calendar years or less.
- b. If the **Transition Member** had not vested in their **Legacy Pension Scheme** they cannot count that previous service towards vesting in **AFPS15**.
- c. Periods of unauthorised absence, unpaid leave, service detention and imprisonment that occurred during any previous period of service are not counted as pensionable and may not be counted towards vesting in **AFPS15** in the new period of service.

4.3 A **Transition Member** must vest again (i.e. complete another two calendar years of pensionable service before accruing any further pension benefits) if;

- a. The gap in service is more than five calendar years.
- b. Their pension (or ill health pension) from a previous period of service has already come into payment.

Five Year Rule

Gap in Service of More than Five Calendar Years

4.4 Unless stated otherwise different periods of service in the Armed Forces will be treated as separate if the gap between the two periods of service is more than five calendar years. Service Personnel who re-join the Armed or Reserve Forces after more than five calendar years will be treated as entirely new joiners. Former service cannot be used to qualify towards vesting, **RG**³ or **EDP15**. Any deferred pension accrued during former service will be held in deferment and paid at the expected time – it cannot be aggregated or added to the new **AFPS15** pension or **EDP15** award.

Gap in Service of Five Calendar Years or Less

4.5 Where the gap between two different periods of service is five calendar years or less, former service can, in some circumstances, be counted towards vesting⁴ and qualification for an **EDP15**, providing the pension from the earlier period of service has not already come into payment.

Effect on Final Salary Link and Vesting – Membership of another Public Sector Pension Scheme during the Break

4.6 Where the individual has spent time as a member of another public sector pension scheme during their break – providing no single gap between different public sector pension schemes has been more than five calendar years the **Final Salary Link** can be maintained. The former service can also be used for vesting into **AFPS15**. (NB – this rule cannot be used to link two periods of service for **EDP15** qualification).

Aggregation of Deferred Benefits

4.7 Those who do not meet the **Transitional Protection** criteria cannot **aggregate** or transfer their deferred **AFPS75** or **AFPS05** pension benefits with benefits paid under **AFPS15**. Deferred pension benefits from different pension schemes can only be added together to form a single pension where the two single pension schemes are of the same design (i.e. a final salary pension scheme). As the **AFPS15** pension scheme is a Career Average (CARE) pension scheme, any legacy pensions cannot be added to it. Instead the pension accrued under the two different pension schemes must remain separate. It can be linked providing the gap in service is five calendar years or less and the pension benefits have not come into payment. This is to ensure that the value of the pension from the former service rises according to subsequent promotions – this is known as the **Final Salary Link**. If you have transitioned to **AFPS15** you may still be able to **aggregate** your last period of deferred **legacy pension scheme** benefits (see Annex C) but you must do so before your final discharge.

3 For those who re-join prior to 1 Apr 15, all former service can be used as qualification for a resettlement grant and the five calendar year rule does not apply.

4 Individuals must have vested in a legacy pension scheme in order to count that service towards vesting in a new period of service.

Abatement of Pensions Derived From Legacy Pension Schemes

4.8 **AFPS15** pensions in payment are not subject to **abatement** on re-joining. Those **Transition Members** who re-join the Armed Forces with a pension accrued under a **Legacy Pension Scheme** that is already in payment will remain subject to **abatement**. Where the member is receiving a pension from a **legacy pension scheme** in addition to a pension from the **AFPS15** scheme, and then re-joins, even though the **AFPS15** pension is not abated its value will be included in the **abatement** calculation. This is in accordance with the Treasury **Abatement** Rules and the **abatement** rules of the **Legacy Pension Scheme**. **Abatement** is described at Annex D.

Effect on EDP 05 in Payment

4.9 **Transition Members** who re-join the Regular Armed or Reserve Forces when already in receipt of an **EDP05** will be subject to existing **EDP05** scheme rules for any **EDP05** earned under **EDP05**.

- a. **Effect on EDP05 lump sum and income on re-joining the Regulars.** The re-joiner must repay the ‘unexpired portion’ of the **EDP05** lump sum⁵ and the **EDP05** income stream will cease. Payments will only recommence when the individual leaves service for a second time, provided the **AFPS05** pension has not come into payment. No further **AFPS05** benefits are accrued after 1 April 2015; however even though the **EDP05** income stream and the **EDP05** lump sum are stopped, they may increase in value if the individual’s pension is uplifted by achieving further promotion. On leaving service for a second time if the individual is still eligible for an **EDP05** they will receive a newly calculated **EDP05** lump sum (minus the amount previously kept) and a newly calculated **EDP05** income stream. However, in cases, where the reassessment gives a lower **EDP05** award, then the original **EDP05** award will be reinstated.
- b. **Effect on EDP05 on re-joining on an FTRS, NRPS or ADC appointment.** The re-joiner must repay the ‘unexpired portion’ of the **EDP05** lump sum and the **EDP05** income stream will cease. The **EDP05** lump sum will not be repaid to individuals on leaving service subsequently,⁶ however the **EDP05** income stream will recommence at its original level if under 55 or increase to 75% of your deferred pension if over age 55 but under age 65. This is providing the **AFPS05** pension has not come into payment.

Opportunity to Qualify for an EDP05/EDP15

4.10 A **Transition Member** who previously left the Regular Armed Forces with insufficient “**relevant service**” to qualify for an **EDP05** can still qualify for an **EDP05** providing;

- a. They re-join the Regulars.
- b. Any gap in service between **AFPS05** and **AFPS15** is five calendar years or less.
- c. If they have chosen to **aggregate** their last period of deferred pensionable service with their current service then that service can be used to qualify for an **EDP05**, if the individual had previously vested during former service.

5 Calculation shown at JSP 764 Part 2: 0213

6 JSP 764 Part 2: 0219.

4.11 In these circumstances, once the **Transition Member** achieves the required total qualifying service (18 years “**relevant service**” and age 40), they will be eligible to receive an **EDP05**.

- a. **Example.** An individual with four years **relevant service** in **EDP05** leaves and re-joins (within five calendar years) as a Regular in the **AFPS15** Scheme. They serve for another 14 years and reach age of 40. They have now served a total of 18 years (4 years under **EDP05** and 14 years in **AFPS15**) and so qualify for an **EDP05**. They are now eligible to receive an **EDP05** that is based only on four years **relevant** service in the **EDP05** scheme. They are not eligible for an **EDP15** as they have not reached the **EDP15** qualification point (20 years’ service and age 40).
- b. However if the individual remains in Regular Service for a further two years, they now have a total of 20 years’ service (four years under **EDP05** and 16 years in **EDP15**). They then additionally qualify for an **EDP15** (20 years’ service and age 40). They will be eligible to receive an **EDP05** based on four years’ **relevant** service under the **EDP05** scheme and an **EDP15** based on 16 years’ qualifying service under the **EDP15 Scheme**.

Opportunity to Count **AFPS75** Service to Qualify for an **EDP15**

4.12 Former **AFPS75** service can still be counted towards the qualification period for an **EDP15** provided the **AFPS75 Immediate Pension** has not come into payment.

- a. In these circumstances, all time⁷ spent in the **AFPS75** Scheme from age 21 for Officers and age 18 for Other Ranks will be counted, provided the individual had vested in the **AFPS75** scheme.
- b. The gap in service is five calendar years or less.
- c. Even though time spent in **AFPS75** counts towards the qualifying criteria, time spent in **AFPS75** will not add to the value of the **EDP15**.

Example

An Other Rank with six years’ *service in* **AFPS75** leaves and re-joins (within five calendar years) as a Regular in the **AFPS15** Scheme. They serve for another 14 years and reach age of 40. They have served a total of 20 years’ service (six years under **AFPS75** and 14 years in **AFPS15**) and reached age 40 so qualify for an **EDP15**. They are now eligible to receive an **AFPS75** deferred pension that is based on four years’ service in the **AFPS75** scheme and an **AFPS15** deferred pension based on 14 years’ service.

They will also receive an **EDP15** based on 14 years’ service in the **EDP15** Scheme.

Effect on Resettlement Grant

4.13 For those who re-joined the Regular Armed Forces before 1 April 2015, all previous periods of Regular service may be added together and counted towards the qualification for a **RG** paid out under **AFPS15**. For those who re-joined the Regular Armed Forces on or after 1 April 2015, the five calendar year rule applies and former service will not qualify for a **RG** if the gap in service has been more than five calendar years.

⁷ Unauthorised absence, unpaid leave (such as maternity leave), service detention and imprisonment will not count.

Accrued Rights to Resettlement Grants

4.14 Eligibility to a **RG** is based on which **Legacy Pension Scheme** the member was last in before they transitioned or joined **AFPS15**.

4.15 Only time served in the **AFPS75** scheme after age 21 (for officers) or age 18 (for ORs) will be counted towards qualification for an **AFPS75 RG**.

Occasions When the Resettlement Grant must be Repaid

4.16 Those who have received a **RG** must repay the **RG** in full if they re-join as a Regular or as a Full Time Reservist within 31 days of leaving the Armed Forces.

- a. A Regular will be eligible for another **RG** upon leaving the Armed Forces for a second time, providing they still meet the qualifying criteria.
- b. A Full Time Reservist will not be eligible for another **RG** upon leaving the Armed Forces subsequently.

4.17 Those who re-join the Armed Forces (in any capacity) more than 31 days after leaving may keep the **RG** but will not be eligible for another **RG** upon leaving the Armed Forces subsequently.

Effect on Ill Health Awards

4.18 For individuals who re-join the Armed Forces (in any capacity), having previously been discharged with an ill health award from a **Legacy Pension Scheme**, the award is dealt with as described below;

Effect on Ill Health Awards Granted under AFPS05 and EDP05 Schemes

AFPS05 Tier 1

4.19 On re-joining the “unexpired portion” of the Tier 1 Lump Sum may be recovered. If an individual received an **EDP05** instead, then on re-joining the “unexpired portion” of the **EDP05** Lump Sum is recovered and the **EDP05** income stream ceases. The individuals’ **EDP05** will be recalculated to take account of the additional service given. However any **EDP05** Lump Sum awarded on subsequent discharge will be reduced by the amount previously kept. The joiner will only need to vest in the scheme if they join the **AFPS15** scheme after a break of more than five calendar years.

AFPS05 Tier 2 and Tier 3

4.20 The individual will keep the **AFPS05** Pension Lump Sum. The ill health pension will be stopped and the base pension is placed into deferment and will be paid when the individual reaches the Deferred Pension Age (65) of the **AFPS05** scheme. The ill health enhancement will be lost forever.

4.21 As the **AFPS05** pension has already come into payment, the re-joiner must vest in the **AFPS15** scheme before receiving any benefits from the **AFPS15** scheme.

Effect on Ill Health Awards Granted under RFPS05

4.22 Ill health awards granted under **RFPS05** are handled in the same way as under **AFPS05**; however any previous pensions that came into payment alongside the award are treated in accordance with the scheme rules of those pension schemes.

4.23 As the **RFPS05** pension has already come into payment, the re-joiner must vest in the **AFPS15** scheme before receiving any benefits from the **AFPS15** scheme.

Effect on Ill Health Awards Granted under AFPS75 and NRPS

4.24 Ill health awards granted under **AFPS75** or **NRPS** are suspended upon re-joining. These awards are immediately re-instated in full upon subsequent departure from the Armed Forces.

4.25 As the **AFPS75** or **NRPS** pension has already come into payment, the re-joiner must vest in the **AFPS15** before receiving any benefits from the **AFPS15** scheme.

Effect on Redundancy – Compensation Payments

4.26 Those who re-join as a Regular or Reserve, having previously received a redundancy compensation payment from the Armed Forces, may be required to repay all or some of the redundancy compensation payment. This will apply to those who;

- a. received a Compensation Lump Sum (CLS) under the Armed Forces Redundancy Scheme 2006 (AFRS 06) and was re-employed in the Armed Forces within the “relevant period”.
- b. received a Special Capital Payment (SCP) under the Armed Forces Redundancy Scheme 20110 (AFRS 10) and were re-employed in the Armed Forces within the “relevant period “.

4.27 Further details are available within the relevant redundancy scheme rules and **Armed Forces Redundancy Booklet (MMP138)**.

CHAPTER 5

Effect on Benefits – Re-employment – AFPS15 Members

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5 Effect on Benefits – Re-employment – AFPS15 Members

5.1 Those who joined the Regular or Reserve Forces on or after 1 April 2015 with no accrued rights in any of the **Legacy Pension Schemes** will on re-employment re-join **AFPS15**.

Vesting

5.2 Prior periods of pensionable service given in **AFPS15** will only vest in **AFPS15** if the gap in service is five calendar years or less.

5.3 The member must vest again (i.e. complete another two calendar years of pensionable service before accruing any further pension benefits) if;

- a. The gap in service is more than five calendar years.
- b. The pension (or ill health pension) not the EDP from a previous period of service has already come into payment.

Five-Year Rule

Gap in Service of More than Five Calendar Years

5.4 Unless stated otherwise, different periods of service in the Armed Forces are treated as separate if the gap between the two periods of Service is more than five calendar years. Service Personnel who re-join the Regular or Reserve Forces after more than five calendar years will be treated as entirely new joiners. Former service cannot be used to qualify towards vesting, **RG** or **EDP15**. Any deferred pension accrued during former service will be held in deferment and paid at the expected time – it cannot be aggregated or added to the new **AFPS15** pension or **EDP15** award.

Gap in Service of Five Calendar Years or Less

5.5 Where the gap between two different periods of service is five calendar years or less, former service in some circumstances can be counted towards vesting⁸ and qualification for an **EDP15**, providing the pension from the earlier period of service has not already come into payment.

Effect on Final Salary Link and Vesting – Membership of another Public Sector Pension Scheme during the Break

5.6 Where the individual has spent time as a member of another public sector pension scheme during the break – providing no single gap between different public sector pension schemes has been no more than five years the **Final Salary Link** can be maintained. The former service can also be used for vesting into **AFPS15**. (NB – this rule cannot be used to link two periods of service for **EDP15** qualification).

Abatement of Pensions

5.7 **AFPS15** pensions in payment are not subject to **abatement** on re-joining the **AFPS15**.

8 Individuals must have vested in a legacy pension scheme in order to count that service towards vesting in a new period of service.

Effect on EDP15 in Payment – Regular Forces

5.8 When a person re-joins the Regular Forces with an **EDP15** in payment within five calendar years or less, they may choose within one month of re-joining:

- To retain the **EDP15** lump sum and periodical payments they are receiving under the **EDP15** scheme for the earlier service. However the payments will not be recalculated when they finally leave service and will stop when the member reaches deferred pension age for the prior service; or
- End the **EDP15** periodical payments for the previous period of service for the duration of the new service and repay in full any **EDP15** lump sum – including interest – which has been paid for the previous service.

5.9 When the new period of service ends the person who has chosen to repay their **EDP15** lump sum and cease the periodical payments is entitled to an **EDP15** lump sum and periodical payments for both the previous and new service providing their **AFPS15** pension is not due to come into payment.

5.10 If the person re-joins the Regular Forces more than five calendar years after their last period of service, they will retain any payments made to them. They do not have the option to repay the **EDP15** lump sum or accrue any further **EDP15**.

Effect on EDP15 in Payment – Reserve Forces

5.11 When a person who is receiving **EDP15** payments joins the Reserve Forces, they will retain their **EDP15** benefits. Their **EDP15** payments will not be recalculated when the individual leaves the Reserve Forces.

Effect on Resettlement Grant

5.12 Those who received a **RG** under **AFPS15** must repay in full if they re-join the Armed Forces or become a full time member of the Reserve Forces within 31 days of leaving the Regulars Forces.

5.13 If an individual re-joins the Armed Forces after 31 days the individual will retain his **RG**. However when they leave again after a second period of service they will not be entitled to a new one.

5.14 If the individual repaid their **RG** and had re-joined as a member of the Regular Forces they will be entitled to a **RG** when the second period of service ends.

5.15 If the period of new service was as a full time member of the Reserve Forces the individual, who repaid their **RG** will not be entitled to a **RG**.

Effect on Ill Health Awards

5.16 If an individual has been awarded an ill health pension for a previous period of **AFPS15** service and subsequently re-enters pensionable service. The ill health pension will cease to be payable for the first period of service and the member will become a deferred member for the earlier service and a deferred member's account will be established for that service.

5.17 An active member's account will be established for the new period of service and the member must vest again in the scheme.

Annex A – Terms Used in This Guide

Below is a list which explains the meaning of some of the special pension terms used in this booklet.

Abatement	Where payments (e.g. pension) are reduced in certain circumstances.
Aggregate/ Aggregation	The ability to add together benefits arising from two periods of separate service in the Regular Armed Forces. Pension Benefits from different pension schemes can only be added together to form a single pension where the two pension schemes are of the same design. As the AFPS15 pension scheme is a Career Average Revalue Earnings (CARE) Scheme, legacy pension scheme benefits cannot be added to it.
AFPS15	<p>The Armed Forces Pension Scheme 2015 (AFPS15) was introduced on 1 April 2015. AFPS15 is the pension scheme for Regular and Reserve Service personnel who first join the Armed Forces from 1 April 2015, and those Service personnel who were already in Service before that date and did not qualify for Transitional Protection in their legacy pension scheme.</p> <p>Rights to pension benefits accrued by AFPS15 members as a result of their membership of a legacy pension scheme are protected. This means pension benefits already earned in a legacy pension scheme, up to 1 April 2015, will be guaranteed and Service personnel will be able to draw these benefits at the same time as they would have expected to (in accordance with their current legacy pension scheme rules). The pension benefits already protected will also be linked to the final pensionable salary at the date of leaving the services not the salary/rank at the time of transferring to AFPS15. Thereby maintaining their final salary link. Pension benefits transferred in from another scheme increases the value of the pension as does a credit resulting from the purchase of Added Years. Certain absences are not counted such as detention, unauthorised absence or unpaid leave.</p> <p>AFPS15 is a defined benefits Career Average Re-valued Earnings (CARE) scheme. Every year, the MOD adds an amount equal to 1/47th of annual pensionable earnings for that year, to an individual 'pension pot'. The 'pension pot' starts to accumulate from the first day of paid service under AFPS15 and is carried forward into each year where it grows slightly to ensure that it tracks inflation and maintains its value. This growth, known as indexation, is based on the Average Weekly Earnings index and is similar to money in a bank account earning interest. This process is repeated every year until the member leaves the Armed Forces.</p>

	<p>In AFPS15, the normal retirement age is age 60 and the deferred pension age is linked to the member's individual State Pension Age. Members may be eligible for an Early Departure Payment (this is not a pension) when leaving the Armed Forces after serving 20 qualifying years and reaching at least age 40. The Early Departure Payment (EDP15) will be paid until the member reaches deferred pension age after which it is replaced by the member's pension.</p> <p>AFPS15 does not pay a pension lump sum unless the member commutes some of their pension to generate the lump sum although a EDP15 lump sum may be payable.</p>
AFPS05	<p>This is the pension scheme for Armed Forces Regular service personnel who joined or re-joined from 6 April 2005 to 31 March 2015. Only re-joiners with Transitional Protection can re-join on or after 1 April 2015.</p> <p>Members of AFPS75 who were already in service on 6 April 2005 and were still in service on 6 April 2006 were given an opportunity to transfer to AFPS05.</p> <p>This is a defined benefits scheme. The pension benefits are based on final pensionable earnings that are the greatest amount received for 365 consecutive days over the last three years of Service. Members may leave the Service with an EDP05 (this is not a pension) after serving 18 years relevant service and reaching at least age 40. The EDP05 will be paid until the member is age 65 after which a pension is paid instead.</p> <p>The normal retirement age is 55 and the deferred pension age is 65.</p>
AFPS75	<p>This is the pension scheme for Regular Service personnel. It was introduced in 1975 and closed to new entrants and re-joiners from 6 April 2005.</p> <p>This is a defined benefits scheme. For Officers and Other Ranks below 2 star, pension benefits are based on representative rates of pay for the rank held at the time of retirement. For Senior Officers at 2 star and above (Rear Admiral, Major General and Air Vice Marshal) pensions are based on individual pensionable earnings.</p> <p>The normal retirement age is 55 but an Immediate Pension is available after 16 years qualifying service for Officers and 22 years qualifying service for Other Ranks. The deferred pension age is 60 for service before 6 April 2006 and age 65 for service from 6 April 2006.</p>
Consumer Price Index	<p>This is a published monthly to measure the change in price levels in the UK. It is the method currently used to increase the value of pensions in April every year.</p>
Commutation	<p>When a member gives up part of their pension in return for a tax-free lump sum. There are two forms of commutation: resettlement and life.</p>

<p>Life Commutation – AFPS75 members only</p>	<p>Life Commutation is permanently giving up pension in return for an additional tax-free lump sum.</p> <p>This is only available to AFPS75 scheme members who leave the Armed Forces with an entitlement to an Immediate Pension (other than ill health benefits) and prior to retirement they served on or before 1 March 1978. Benefits may be taken for service up to 6 April 1980 only. After 2020 no one will be eligible for life commutation.</p>
<p>Resettlement Commutation – AFPS75 members only</p>	<p>If you leave the Armed Forces before reaching the age of 55 and with an entitlement to an Immediate Pension, other than ill health benefits, you may apply for resettlement commutation. Resettlement commutation means the surrender of part of your Immediate Pension to obtain an additional tax-free lump sum, with the restoration of the pension in full at age 55. This scheme applies to Officers and Other Ranks who gave service on or after 31 March 1978. A Court Order can stipulate that the member takes the full resettlement commutation available.</p>
<p>Commutation – AFPS15 members only</p>	<p>AFPS15 will not automatically pay you a pension lump sum. However, you can create a tax-free lump sum by ‘surrendering’ a part of your annual pension. This is known as commutation. HM Revenue and Customs (HMRC) currently allow up to 25% of your overall pension benefits to be taken as a lump sum. The commutation rate is fixed at 12 to 1; so for each £1 of your pension you give up, you will be ‘buying’ a lump sum of £12. This decision is made for life therefore choosing to ‘give up’ part of your pension cannot be reversed. The decision to commute must be made no later than one month before and no earlier than 6 months before your first pension payment is made.</p>
<p>Deferred Pension</p>	<p>An individual is entitled to a deferred pension after vesting two years in the scheme and leaving the Armed Forces before they became eligible to receive a pension immediately.</p> <p>For AFPS75 members who have not reached the IP Point with a minimum of two years’ qualifying service – the deferred pension is payable from age 60 for service built up before 6 April 2006 and from age 65 for service built up from that date.</p> <p>For AFPS05 members who leave before age 55 with a minimum of two years’ qualifying service – the deferred pension is payable from age 65.</p> <p>For RFPS05 members who leave before age 60 – the deferred pension is payable from age 65.</p> <p>For AFPS15 members who leave before age 60 with a minimum of two years’ qualifying service – the deferred pension is payable from date the member becomes entitled to a State Pension.</p>

<p>Dependants</p>	<p>For AFPS75 members – a member’s spouse (including same sex spouses), civil partner or eligible children. For attributable benefits only, this may include an eligible partner.</p> <p>For AFPS05, RFPS05 and AFPS15 members – a member’s spouse (including same sex spouses), civil partner, eligible partner or eligible children.</p>
<p>Early Departure Payments</p>	<p>The EDP is an additional benefit, which is entirely separate to the Armed Forces pension. The purpose of an EDP is to retain Regular personnel in Service through to at least age 40 and to compensate for the fact that a full career is not available to the majority.</p> <p>EDP05 – An EDP05 is paid to members who leave the Regular Armed Forces before age 55, after a minimum of 18 years relevant service AND who are at least age 40. The EDP05 is paid until the member reaches the deferred pension age (65).</p> <p>EDP15 – An EDP15 is paid to members who leave the Regular Armed Forces before age 60, after a minimum of 20 years qualifying service AND who are at least age 40. The EDP15 is paid until the member reaches the deferred pension age (this age is linked to state pension age).</p> <p>EDP05/EDP15 is not available to scheme members of AFPS75, FTRSPS97 or RFPS05 and NRPS.</p> <p>The EDP is not a pension and so cannot be included in Court Orders for pension sharing or pension attachment, although it can be considered as a matrimonial asset and offset against the pension fund value.</p>
<p>Final Salary Link</p>	<p>Pensions accrued under different pension schemes will remain separate, but in certain circumstances the legacy pension can be linked to ensure that the value of the pension from former service rises in accordance to subsequent promotions. This is known as Final Salary Link.</p>
<p>Full Time Reserve Service and Additional Duties Commitment</p>	<p>Full Time Reserve Service (FTRS) is a period of full time service undertaken by a member of the Reserve Forces, in accordance with Reserve Forces Act (RFA) 96.</p> <p>Additional Duties Commitment (ADC) is a period of service by a member of the Reserve Forces. They are committed to attending for duty on days or part-days each week. The maximum ADC commitment in any 12 month period is a total of 180 full working days.</p> <p>Full Time Reserve Service Pension Scheme 97 (FTRSPS97) is the scheme applicable to those who gave Full Time Reserve Service as a member of the Reserve Forces before 6 April 2005 and was closed to new entrants and re-joiners from 6 April 2005.</p>

<p>Full Career (Maximum) Pension</p>	<p>AFPS75 – A pension paid at age 55 after 34 years’ reckonable service as an Officer or 37 years’ reckonable service as an Other Rank.</p> <p>AFPS05 – A pension is paid at age 55 or over. After 35 years’ reckonable service your pension (i.e. excluding the value of the lump sum) will be worth 50% of your final pensionable pay, but benefits may be earned up to a maximum of 40 years.</p> <p>AFPS15 – If you have at least 2 years qualifying service and you serve to age 60 (Normal Retirement Age) will be entitled to claim your unreduced pension immediately.</p>
<p>IP – Immediate Pension Point (IPP) – AFPS 75 members only</p>	<p>The Immediate Pension Point is reached after 16 years qualifying service from age 21 as an Officer or 22 years qualifying service from age 18 as an Other Rank. Qualifying service is service while in the AFPS75 scheme for which the member received pensionable earnings.</p> <p>The Immediate Pension Point should not be confused with the age a Deferred pension or an EDP can be paid.</p>
<p>Inverse Commutation – AFPS05 and RFPS05 members only</p>	<p>Exchanging all or part of the member’s pension lump sum (normally tax-free) for an increase in the amount of taxable pension payable to the member or member and the member’s dependants.</p>
<p>Legacy Pension Schemes</p>	<p>AFPS75, FTRSPS97, AFPS05, RFPS05 and NRPS will become known as legacy pension schemes from 1 April 2015.</p>
<p>Medical Discharge</p>	<p>The process whereby an individual is discharged from the Armed Forces because they do not meet the fitness standards required to fulfil the full range of his duties. Being medically discharged does not mean that the individual could not be employed in other forms of full or part-time civilian employment.</p>
<p>Member</p>	<p>A person who has joined one of the Armed or Reserve Forces Pension Schemes and who is earning benefits under one of the Schemes (active member), has a deferred pension under one of the schemes(deferred member) or is receiving a pension under one of the Schemes (pensioner member).</p>
<p>Normal Retirement Age</p>	<p>This is the age a serving member of the Armed Forces may retire and immediately receive a pension is as follows:</p> <ul style="list-style-type: none"> • AFPS15 is age 60 • AFPS05 is age 55 • AFPS75 is age 55. • FTRS97 Full Commitment terms it is age 55 • RFPS05, FTRS97 (HC and LC commitments) age 60, and • NRPS is age 60

Pensionable Pay	Basic pay including the X factor but excluding allowances, bonuses, financial retention incentives, loan service pay, bounties and any form of specialist pay.
Pensionable Service	Any period in which a member of the scheme is in employment and is receiving pensionable earnings or assumed pay.
Pension Lump Sum	A one-off lump sum (normally tax-free) equal to three times the annual pension awarded. The pension lump sum is paid in addition to the pension when the pension first comes into payment. AFPS15 will not automatically pay you a pension lump sum (see Commutation section for details).
Qualifying service	All continuous service in the Regular Armed Forces (other criteria may apply) but excludes periods of unauthorised absence, unpaid leave, service detention and imprisonment in the Armed Forces; any period of service with NATO/UN or similar collaborative arrangement in respect of which the member has repaid all elements of their severance payment to buy back the service they missed whilst on secondment, supplemented by a 'top up' from the project which sent them.
Qualifying Service – (AFPS15)	All paid service in the Armed Forces, provided a member has vested.
Qualifying Service – (AFPS05)	Qualifying service includes full paid service and certain other periods but excludes periods of unauthorised absence, unpaid leave, service detention and imprisonment in the Armed Forces; any period of service with NATO/UN or similar collaborative arrangement in respect of which the member has repaid all elements of their severance payment to buy back the service they missed whilst on secondment, supplemented by a 'top up' from the project which sent them.
Qualifying Service – (AFPS75)	Only actual service from age 21 for officers and age 18 for other ranks counts towards an Immediate Pension. Transferred-in service does not count towards qualifying service for an Immediate Pension.

<p>Reckonable Service</p>	<p>Reckonable service is the service which is used to calculate a member's pension:</p> <p>For AFPS75 members – for Officers this starts at age 21 for a maximum of 34 years, and for Other Ranks this starts at age 18 for a maximum of 37 years.</p> <p>For AFPS05 and RFPS05 members – This starts from the first day of full paid service as a member of AFPS05 in the Armed Forces, but may not exceed 40 years. The value of any pension benefits transferred in from another scheme increases the service which counts towards the value of the pension, as does a credit resulting from the purchase of added years. For those who transfer to AFPS05 as a result of the Offer To Transfer (OTT), their current service and deferred pensionable service under AFPS75 will count too if transferred across under the OTT. NOTE: In AFPS75 only actual service counts towards an Immediate Pension. Transferred-in benefits and credits resulting from the purchase of added years do not count towards qualifying service for an Immediate Pension.</p>
<p>Relevant Service – EDP05 Scheme only</p>	<p>This is pensionable Service on or after 6 April 2005 plus any service transferred in from AFPS75 under the OTT. For those with a break in service between AFPS75 and AFPS05, with effect from 16 December 2013, the last period of deferred AFPS75 pensionable service can count as Relevant Service providing the individual has opted to aggregate their last period of AFPS75 deferred pension with their AFPS05 pension before they leave the regular Armed Forces.</p>
<p>Reserve Forces Pension Scheme 05</p>	<p>RFPS05 is the scheme applicable for those starting or renewing a Full Time Reserve Service (FTRS) or ADC commitment/contract and for those mobilised between 6 April 2005 and 31 March 2015. Serving members of FTRSPS97 were given an opportunity to transfer across to the RFPS05 by 6 April 2006. Only those starting or renewing a Full Time Reserve Service (FTRS) or ADC commitment/contract that hold Transitional Protection can re-join RFPS05 on or after 1 April 2015.</p>
<p>Resettlement Grant</p>	<p>A tax-free lump sum payable to personnel who leave the Regular Armed Forces having given the required service under AFPS75, AFPS05 or AFPS15 and who are not eligible for benefits under the pension schemes or the EDP scheme, apart from a deferred pension.</p>
<p>Scheme Administrator</p>	<p>DBS Veterans UK is the Scheme Administrators for the Armed Forces Pension Schemes (AFPS75, FTRSPS, AFPS05, AFPS15, RFPS05 and AFAB). The Veterans UK (Norcross) is responsible for the administration of the Armed Forces Compensation Schemes (AFCS and WPS) and Veterans issues.</p>

Transitional Protection	Transitional Protection is the protection awarded to individuals who, as of 1 April 2012, were within ten years of their pension schemes normal retirement age. Individuals with Transitional Protection will remain in their existing pension scheme and do not transfer into AFPS15 unless they no longer meet the Transitional Protection criteria of the pension scheme. If they chose to re-join the Armed Forces they will retain Transitional Protection providing the gap in Service is five calendar years or less and they meet the Transitional Protection criteria of the pension scheme they are re-joining. Those who do not meet the Transitional Protection of the Legacy Pension Scheme will join AFPS15 .
Transition Member	This is an individual who was a member of a Legacy Pension Scheme and transitioned to AFPS15 on or after 1 April 2015. They do not have Transitional Protection.

Annex B

TABLE 1 – Transitional Protection (TP) Member – Which Legacy Pension Scheme will you Re-Join

Scheme that <i>Transitional Protection</i> is granted from	Re-join as a Regular under	Re-join as a Reserve (excluding Part Time Voluntary Reserve (PTVR)) under	Re-join as a PTVR under
AFPS75 (gap in service of 30 days or less)	AFPS75	RFPS05 if individual meets <i>Transitional Protection</i> (TP) criteria under RFPS05 scheme. If not, will re-join under AFPS15 .	AFPS15
AFPS75 (gap in service of more than 30 days)	AFPS05 ⁹	RFPS05 if individual meets (TP) criteria under RFPS05 scheme. If not, will re-join under AFPS15 .	AFPS15
AFPS05	AFPS05	RFPS05 if individual meets (TP) criteria under RFPS05 scheme. If not, will re-join under AFPS15 .	AFPS15
RFPS05	AFPS05	RFPS05	AFPS15
FTRSPS97	AFPS05	RFPS05 if individual meets (TP) criteria under RFPS05 scheme. If not, will re-join under AFPS15 .	AFPS15
NRPS (Non Regular Permanent Staff Pension Scheme)	AFPS05	RFPS05 if individual meets (TP) criteria under RFPS05 scheme. If not, will re-join under AFPS15 .	AFPS15

⁹ After a gap in service of more than 30 days the member with *Transitional Protection* from **AFPS75** must re-join **AFPS05** – the last open legacy pension scheme appropriate to their engagement. They cannot re-join **AFPS75**.

Annex C

ANNEX C – 1

TABLE 2 – When the Option to Aggregate can be taken

Scheme that the last period of deferred pension is derived from	Scheme Re-joined – AFPS75	Scheme Re-joined – AFPS05	Scheme Re-joined – AFPS15	Scheme Re-joined – RFPS05	Scheme Re-joined – NRPS
AFPS75	N/A	Yes (only the last period of AFPS75 deferred pension service can be aggregated)	No	No	No
AFPS05	N/A	Yes (only the last period of AFPS05 deferred pension service can be aggregated)	No	No	No
AFPS15	N/A	N/A	Yes (only if the gap between service is five calendar years or less)	No	No
RFPS05	N/A	No	No	No	No
NRPS	N/A	N/A	N/A	N/A	N/A

When the option to Aggregate cannot be taken up:-

- Once the pension is in payment (even if it is being **abated** during the second period of service) it cannot be **aggregated**.
- The option to take **aggregation** is not available once you have left service.
- The option to **aggregate** is not available between **AFPS05** and **AFPS15**.
- The option to **aggregate** is not available between **AFPS75** and **AFPS15**.
- The option to **aggregate** is not available between Reserve and Regular service.
- The option to **aggregate** is not available between two periods of Reserve service.
- Only the last period of service can be **aggregated** not multiple periods of service.

ANNEX C – 2

Transition Member – When the Option to Aggregate can be taken up by you

Example 1

An Officer joins **AFPS75** in 1998 and after completing three years he leaves service in 2001 with a deferred **AFPS75** pension. He has a break for one year and re-joins **AFPS75** in 2002 (before introduction of **AFPS05**). He remains in **AFPS75** up until the introduction of **AFPS15** at which point he transitions to **AFPS15** on 1 April 2015. He continues in service until his discharge in 2017. Before his discharge he takes up the option to **aggregate** his last period of **AFPS75** service with the benefits he has accrued under his current period of **AFPS75** service (before he transition to **AFPS15**). This means he is entitled to an **AFPS75** immediate pension as he has passed the immediate pension point of 16 years. If he does not opt to **aggregate** he will be entitled to two separate **AFPS75** deferred pensions (three years and 13 years). He will also be entitled to a two years **AFPS15** deferred pension which cannot be **aggregated** with his **AFPS75** benefits.

Last period AFPS75	Break	AFPS75 Transitional Point (TP)	AFPS15
<p>AFPS75 1st period of service</p> <p>Awarded a deferred AFPS75 pension = 3 yrs 1998 – 2001</p>	<p>Break in service</p> <p>1 year 2001 – 2002</p>	<p>AFPS75 2nd period of AFPS75 service</p> <p>Accrued benefits under AFPS75 = 13 yrs Re-joins 2002 – 2015</p>	<p>AFPS15 Transitions to AFPS15</p> <p>Accrued benefits under AFPS15 = 2 yrs 2015 – 2017</p>

ANNEX C – 3

Example 2

An Officer joins **AFPS05** in 2005 and after completing three years' service he leaves service in 2008 with a deferred **AFPS05** pension. He has a break for two years and re-joins **AFPS05** in 2010. He remains in **AFPS05** until the introduction of **AFPS15** on 1 April 2015 at which point he transitions across to **AFPS15**. He continues to serve until 2017. Before his discharge he takes up the option to **aggregate** his last period of **AFPS05** service with the pension benefits he has accrued under **AFPS05** up until the point he transitioned across to **AFPS15** on 1 April 2015. This means he is entitled to an eight years **AFPS05** deferred pension. If he does not opt to **aggregate** then he will be paid two separate **AFPS05** pensions (3 years and 5 years). He will be entitled to two years **AFPS15** deferred pension which cannot be **aggregated** with his **AFPS05** pension.

Last period of AFPS05	Break	Re-joins AFPS05	TP	AFPS15
AFPS05 1st period of service Awarded a deferred AFPS05 pension = 3 yrs 2005 – 2008	Break in service 2 years 2008 – 2010	AFPS05 2nd period of service Accrued benefits under AFPS05 = 5 yrs Re-joins 2010 – 2015		AFPS15 Transitions to AFPS15 Accrued benefits under AFPS15 = 2 yrs 2015 – 2017

ANNEX C – 4

Example 3

An Other Rank joins **AFPS75** in 2001 and after completing three years' service he leaves in 2004 with a deferred **AFPS75** pension. He has a break for two years and joins **AFPS05** in 2006. He remains in **AFPS05** until the introduction of **AFPS15** on 1 April 2015 at which point he transitions to **AFPS15**. He continues to serve until 2017. Before his discharge he takes up the option to **aggregate** his last period of **AFPS75** service with the pension benefits he has accrued under **AFPS05** up until the point of transition to **AFPS15** on 1 April 2015. This means he is entitled to an 11 years **AFPS05** deferred pension. If he does not opt to **aggregate** then he will be paid two separate pensions; a three year **AFPS75** deferred pension and an eight year **AFPS05** pension. He will be entitled to a two year **AFPS15** deferred pension which cannot be **aggregated** with the **Legacy Pension Scheme** benefits

Last Period of AFPS75	Break	AFPS05	TP	AFPS15
<p>AFPS75 1st period of service</p> <p>Awarded a deferred AFPS75 pension = 3 yrs</p> <p>2001 – 2004</p>	<p>Break in service</p> <p>2 yrs</p> <p>2004 – 2006</p>	<p>AFPS05 AFPS05 2nd period of service</p> <p>Accrued benefits under AFPS05 = 8 yrs</p> <p>Joins 2006 – 2015</p>		<p>AFPS15 Transitions to AFPS15</p> <p>Accrued benefits under AFPS15 = 2 yrs</p> <p>2015 – 2017</p>

Annex D

Table 3 – When Abatement Applies

Scheme that pension (or portion of pension) in payment is derived from	Re-joining the Armed Forces into AFPS15	Re-joining the Armed Forces into AFPS05 (with Transitional Protection)	Re-joining the Armed Forces into AFPS75 (with Transitional Protection)	Re-joining the Armed Forces into RFPS05 (with Transitional Protection)
AFPS15	No Abatement	NA	NA	NA
AFPS05	Abated	Abated	NA	Abated
AFPS75	Abated	Abated	Abated	Abated
RFPS05	Abated	Abated	NA	Abated
FTRSPS97	Abated	Abated	NA	Abated
NRPS (Non Regular Permanent Staff Pension Scheme)	No Abatement	No Abatement	No Abatement	No Abatement

NB. Where the member is receiving a pension from a legacy pension scheme in addition to a pension from the **AFPS15** scheme, and then re-joins, even though the **AFPS15** pension is not abated its value will be included in the abatement calculation.

Further Information

The information in this booklet is for members of all the Armed and Reserve Forces Pension Schemes. It is to be used for general guidance as it does not give a full explanation of the relevant Armed or Reserve Forces pension schemes and Early Departure Payment Scheme rules, neither does it cover every personal circumstance or past entitlement. It cannot be used as the legal basis for any entitlement under the scheme rules.

The definitive rules for **AFPS75** and **FTRSPS97** are as follows:-

[Naval and Marine Armed Forces Pension Scheme and Attributable Benefits Scheme \(Amendment\) Order 2010](#)

[Army \(Armed Forces Pension Scheme 1975 and Attributable Benefits Scheme \(Amendment\) Warrant 2010](#)

[Air Force \(Armed Forces Pension Scheme 1975 and Attributable Benefits Scheme \(Amendment\) Order 2010](#)

[Full Time Reserve Forces Pension Scheme 1997](#)

The definitive rules for **AFPS05** and **RFPS05** are as follows:-

[The Armed Forces Pension Scheme 2005 Statutory Order no 438](#)

[The Armed Forces Early Departure Payments Scheme 2005 Statutory Order no 437](#)

[The Reserve Forces Pension Scheme Regulations 2005](#)

The definitive rules for **AFPS15** are as follows:-

[The Armed Forces Pension Scheme 2014 Regulations Statutory Instrument Order no 2336](#)

[The Armed Forces Early Departure Payments Scheme 2014 Statutory Order no 2328](#)

In the event of a dispute over your pension or related benefits, the appropriate legislation, as detailed above will prevail over the information contained in this booklet, the JSPs or any other supplementary guidance.

If you have any queries about issues raised in this booklet, you can obtain further guidance in the first instance from your Unit Administration Office. In addition, Veterans UK can also answer questions. They are responsible for the assessment, award, payment and maintenance of all Armed and Reserve Forces pensions. Correspondence, in relation to pensions should be clearly headed as such and sent to the following address:

DBS Veterans UK

Joint Personnel Administrative Centre (JPAC)
 Veterans UK Pensions Division
 Mail Point 480
 Kentigern House
 65 Brown Street
 Glasgow
 G2 8EX

Website (www): <https://www.gov.uk/government/organisation/veterans-uk>

Tel (Civ) Phone: 0800 085 3600

(Enquiry service) Military: 94560 3600

Tel (overseas) 00 141 224 3600

E Mail: DBS-PensionsHelp@dbspv.mod.uk

Fax (Civ) 0141 224 3586

Fax (Mil) 94561 3586

Veterans (deferred members or those whose pensions are in payment) should use the following number for enquiries about their benefits:

Phone: 0800 085 3600

Unit Admin Officers and Veterans UK staff are not financially accredited to give specific financial advice to individuals: should you feel this is what you need you should contact an independent financial adviser. The Service Insurance and Investment Advisory Panel (SIAP) (www.siiap.org) can give specialist financial advice to Service personnel.

There is also further information about the Armed and Reserve Forces Pension Schemes and related benefits on the Defence Intranet and internet;

Internet: www.gov.uk

Intranet:

<http://defenceintranet.dif.r.mil.uk/Personnel/Military/Renumeration/pages/Renumeration.aspx>

Other Booklets available in this Series

Relating to **AFPS75**:

- **Your Pension Scheme Explained – MMP/106**
- **Family Benefits MMP/ 114**

Relating to **AFPS05**:

- **Your Pension Scheme Explained and other benefits paid on Discharge – MMP/124**
- **Family Pension Benefits – MMP/126**
- **Ill-Health Benefits – MMP/127**

Relating to **RFPS05**:

- **Your Pension Scheme Explained – MMP/146**

Relating to **AFPS15**:

- **AFPS15 Your Pension Scheme Explained**

Relating to **AFPS75**, **AFPS05** and **RFPS05**:

- **Increasing Benefits – MMP/128**
- **Transferring Benefits – MMP/129**
- **Internal Dispute Resolution Procedures – MMP/130**
- **Pension Benefits on Divorce and Dissolution of Civil Partnerships – MMP/131**
- **The Armed Forces Redundancy Scheme – MMP/138**

Publications

JSP 854 – AFPS75 and FTRSPS97 – to be published

JSP 764 – AFPS05, EDP05 and RFPS05

JSP 905 – AFPS15 and EDP15