



Ministry
of Defence

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Ref: FOI2016/06076

██████████

Email: ██████████

Dear ██████████,

Thank you for your email of 9 June in which you requested the following information:

I would like a copy of the minutes of the Central Advisory Committee (CAC) on Pensions and Compensation pre October 2011 to Jan 2004 (as more recent minutes are available online) that have any reference to the Armed Forces Redundancy package and its effect on the Armed Forces Pension Scheme 1975.

I am treating your correspondence as a request for information under the Freedom of Information Act 2000 (FOIA).

I can confirm the Central Advisory Committee (CAC) minutes to the Armed Forces Pay and Compensation meetings from 2004-2007 are exempt under Section 21 of the Freedom of Information Act (FOIA), because it is reasonably accessible to you by other means.. It is already in the public domain at the following website address:

http://s198596577.websitehome.co.uk/about_us/ad_bod_cacmins.html

The CAC minutes from 2008-2011 can be found attached. Section 40(2) has been applied to some of the information in order to protect personal information as governed by the Data Protection Act 1998. Section 40 is an absolute exemption and there is therefore no requirement to consider the public interest in making a decision to withhold the information.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Information Rights Compliance team, 2nd Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.ico.org.uk>.

Yours sincerely,

Defence People Secretariat

THE CENTRAL ADVISORY COMMITTEE ON PENSIONS AND COMPENSATION

Wednesday 16th July 2008 at 10.00am

MEETING NOTE

1. CHAIRMAN'S OPENING COMMENTS

The Minister's speaking note is attached at Annex A.

2. MINUTES OF THE 147th MEETING

The Minutes of the previous meeting were agreed.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES AND HANDLING OF OUTSTANDING ISSUES

3.1 The new role of the committee and the need to focus only on those items properly within the committee's scope was emphasised.

3.2 Peter Davies explained that SP PoI Pensions had taken on Action Point 3 of the last minutes (to provide worked examples of the benefits payable to surviving dependants under AFCS and WPS for information and comparison) and that he would provide something to the Committee in the coming months.

AP01: SP PoI Pensions to provide AFCS/WPS examples

AP02: WWA to give specific circumstances to inform comparisons

4. TERMS OF REFERENCE (TORs) OF THE RE-FORMED COMMITTEE

The draft TORs of the Committee were discussed. It was agreed that a revised draft should be circulated that: is less prescriptive in listing the representative organisations; makes clear the appointment lengths and the link between appointment and organisation in the event of a member leaving their organisation; and that develops the consultative aspects of the Committee's role.

AP03: Secretary to circulate revised draft TORs for agreement [Attached at Annex B]

AP04: Secretary to circulate to Members the MOD's memorandum to the Lords' Merits Committee on Consultation and the Ministry of Defence, October 2007

5. AFCS REVIEW

The Minister led a discussion of the Armed Forces Compensation Scheme and the lump sum awards payable for injury/illness caused by Service. [The publication of the Defence Personnel Command Paper has since confirmed a Government proposal to double the AFCS lump sum awards for the most serious injuries and to increase other awards on a sliding scale].

AP05: MOD to consult CAC over the proposed AFCS amendments ahead of laying the Statutory Instrument.

AP06: Members to note possibility of CAC meeting in September as part of consultation.

6. SPVA - KEY TARGETS

██████ led a discussion on targets. She explained that AFCS targets were being re-focused to take account of time to receive medical evidence and asked for the committee members support in managing claimants' expectations and providing guidance to ensure claims were made as soon as was appropriate, recognising in some cases it might be more straightforward to process claims once medical conditions had stabilised.

7. WPCs - SCOPE OF THE COMMITTEES & RELATIONSHIP TO THE CAC

In response to concerns from ████████ about the scope of the WPCs and their relationship to the CAC, the Minister confirmed that the lack of clarity in this area highlights the need for a routine wider review of the WPCs. Notwithstanding the need for a longer-term review, the Minister confirmed that the arrangement that the WPC chairs act as a sub-committee to the CAC should continue.

AP07: SP PoI Pensions to scope a review of the WPCs

8. DATE OF NEXT MEETING

The date of the next full meeting under the Minister's chairmanship was confirmed as 10 December 2008. Depending on business, the members may meet ahead of that **in September/October.**

THE CENTRAL ADVISORY COMMITTEE ON PENSIONS AND COMPENSATION

MINISTER'S ADDRESS - Wednesday 16th July 2008 at 10.00am

Good morning ladies and gentlemen. Welcome to the 148th meeting of the Central Advisory Committee, and the first meeting since the restructuring of the Committee. I know that for all of you, confirmation of this meeting came quite late in the day – I will return to that in a moment but for now I thank you for your forbearance.

I would like to record my gratitude to former members who have served on the committee. All the members' appointments are new for this meeting. Some of you, of course, have served on previous committees - I welcome you back. Others are joining us for the first time - and I welcome the representatives of the Single Services. This is also the last meeting for Admiral Spires who will be retiring from the Navy in the Autumn – I wish you well.

I think it is worth making clear at the outset that the intention is that this committee will provide advice to me on policy issues affecting the service pension and compensation schemes on matters that I put to you; and that it will act as a credible and visible consultative mechanism for the schemes.

This committee will not routinely become involved in issues of scheme operation and delivery, and issues of wider concern to veterans or service personnel will not form part of the committee's business.

A key item for us this morning will be to agree the new Terms of Reference for the Committee. Before we move to that and the other Agenda items, I would like to make a few remarks about some important pensions and compensation issues.

Starting then with occupational pensions, we continue to receive a significant number of representations on Armed Forces Pension Scheme 1975 legacy issues, from both Parliamentary sources and from members of the public. As many of you know, these legacy issues arise from improvements which have been made to the scheme, particularly in the 1970s, but for active members only and sometimes in respect of future service only. Those who fell below the line feel aggrieved that they have not benefited and while I have sympathy with their arguments to agree retrospection would have implications across other public sector pension schemes and the bill to the tax-payer would run into billions of pounds.

Over 1,000 former members of the Royal Irish Regiment Home Service Part Time have challenged the Department under the Part Time Workers Regulations in Northern Ireland. The main element of their claim is in respect of their exclusion from the pension scheme and their lack of entitlement to terminal benefits. Like members of the Territorial Army, in respect of whom an Employment Tribunal ruled in the Department's favour last year, the claimants are entitled to tax-free bounty payments if they complete the required number of days training and duty. Our case is strong and we do not accept liability for the benefits they claim, but some of these cases have been pending since 2001 and we are trying to reach an amicable settlement.

We have recently completed a successful offer to transfer for both serving and recently retired Gurkhas to allow them to transfer their pension benefits from the Gurkha Pension Scheme to one of two Armed Forces pension schemes. The new arrangements reflected big changes in Gurkha expectations from 1 July 1997; after leaving the Army almost all are now deciding to settle in the UK, not Nepal. I am personally delighted that so many Gurkhas participated in this exercise and took the opportunity to improve their pension benefits significantly. I am pleased that we have also recently won a Judicial Review on our approach; which is fair and reasonable.

Turning now to compensation matters. On the War Pension Scheme, I am extremely grateful for the co-operation of those who met with officials to give their early thoughts on the Stewardship review. These discussions were very useful in enabling us to identify the issues on which it would be appropriate to focus. I stress that this review will not be rushed - we are considering how to put the Scheme in the best shape for the next period of its existence, which could extend for many years.

As some of you remarked, we need to take account of our different customer groups. The first group contains our older pensioners - as you know, the majority of War pensioners are elderly and half are now aged 75 or over. There are also, however, significant numbers of younger pensioners of working age. These form the second group. Thirdly, we have potential pensioners, including some still in service, who may have been injured or made ill by events before 6 April 2005 and who may wish to claim in due course.

We think it would be appropriate to address each group separately to reflect their different circumstances and needs. As a first step, we are looking at the sort of principles that might be applied to each group. I will be writing to you about this.

Finally, some of you will recall that, in December, I mentioned that we intended to review the tariff values for lump sum payments made under the Armed Forces Compensation Scheme. One of the reasons for the delay in being able to confirm this meeting was because we have been finalising our proposals following that review. We will discuss this in more detail later in the Agenda and, as members of the CAC, you will of course be consulted on the proposals.

That concludes my opening remarks does anyone have any comments?

I have received apologies for today's meeting from [REDACTED], [REDACTED] and [REDACTED]. [and subsequently Dr Braidwood]

Now, can we turn to the Agenda – are there any comments on the minutes of the meeting held in December?

DRAFT TERMS OF REFERENCE

It will be for the re-formed committee to finalise this document

Central Advisory Committee on Pensions and Compensation

The committee was established under primary legislation governing war pensions in 1921 in the following terms (as amended):

“... the Minister shall constitute a central advisory committee consisting of officers of the ministry (local and central), ex-servicemen and at least one person from one of the committees under section 25 of the Social Security Act 1989 and for the time being in existence to consider such matters as may be put before them for their advice.”

(The committees referred to under section 25 etc are the War Pensions Committees.)

The remit of the committee now is to act as a policy advisory and consultative body for service pension and compensation issues.

Role

The role of the committee is to provide: advice on policy issues affecting all the service pension and compensation schemes; and a credible and visible consultative mechanism for the service pensions and compensation schemes.

The committee does not advise on issues of wider concern to veterans or service personnel, for which other forums exist, or routinely become involved in issues of scheme operation and delivery where, again, other mechanisms are in place.

Function

The committee functions through twice yearly meetings, chaired by the Under Secretary of State for Defence, and correspondence out of committee. In addition, there are two other planned engagements during the year. The nature of these additional engagements is driven by the business of the committee and might take the form of a meeting of members, not usually involving the Chair, educational workshop, written consultation document/information update.

Details of the committee membership and minutes of meetings are made available on the committee's webpage.

When acting as a consultative mechanism, the Chair will aim to ensure that the process follows existing guidance when that is necessary and appropriate however it has been recognised¹ that consultation on matters relating to the Armed Forces cannot be the same as in other areas of Government policy, not least because of the role of the PPOs. Where issues are specific and/or technical nature or impact quite a narrow group, consultations may be conducted in short timescales or with limited individuals/groups. Consultation exercises under the committee's interest may be publicised via the web-page.

Membership

Chair:
Under Secretary of State for Defence

Members:
Two members of the network of WPCs².
A minimum of one and a maximum of six appointments are available to ex-service organisations².
One appointment is available to a service occupational pensions representative organisation².
Three in-service representatives from each of the Principal Personnel Officer areas.
Such officials as the chair deems necessary³

¹ Consultation and the Ministry of Defence, October 2007

² These members must include ex-service persons, as required in the legislation that established the Committee

Internal appointments are managed on an ex-officio basis. External appointments are managed on a basis similar to that known as 'nominating bodies' i.e. organisations which have been identified as able to provide a relevant perspective are asked to nominate potential members (at least two from all but the smallest organisations) so that the Minister may make the final choice, in line with the Code of Practice for Ministerial Appointments to Public Bodies. In both cases, members are expected to attend meetings personally but may exceptionally be represented by another individual from their organisation.

Appointment length will usually be for three years. The maximum appointment will be 10 years. Appointments will usually end in the event that an individual's role within their representative organisations ends/changes significantly so as no longer to be relevant to the Committee. In any case, the Chair may end an appointment at any time.

Amendment

The Terms of Reference may be amended at any time; a member or the chair may propose a change and the chair will usually hear views before deciding the amendment. The chair has the final decision.

³ Usually a senior official from the pensions policy area, an official from the pensions delivery area, a specialist / medical representative and a Secretary.

149th MEETING OF
THE CENTRAL ADVISORY COMMITTEE ON PENSIONS AND COMPENSATION

Monday 10th December 2008 at 10.00am

Present:

Minister for Veterans (Chairman)
Peter Davies

[REDACTED]

[REDACTED]

Dr Anne Braidwood

[REDACTED]

Apologies received from:

[REDACTED]

In Attendance:

[REDACTED]

Kathy Barnes

[REDACTED]

[REDACTED]

[REDACTED]

MEETING NOTE

1. CHAIRMAN'S OPENING COMMENTS

The Minister welcomed members to the 149th meeting and asked members whether they wanted to add anything to the Agenda. All were content for the Agenda to stand as drafted.

2. MINUTES OF THE 148th MEETING OF THE CAC AND 1st MEETING OF THE CAC(O)

The Minutes of the 148th CAC meeting and the 1st meeting of the CAC(O) were agreed.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES AND HANDLING OF OUTSTANDING ISSUES

No outstanding issues arose from the previous Minutes.

4. TERMS OF REFERENCE (TORs) OF THE RE-FORMED COMMITTEE

Peter Davies informed members of the amendment to the TORs, which allows the CAC to meet as business demands, without a Ministerial chair. These meetings will be referred to as 'CAC Officials (CAC(O)) Meetings' and will be chaired by Dir SP Pol Pens & Vets. [REDACTED] led a discussion about whether it was appropriate for officials to be members of the CAC and the appropriateness of meetings which do not involve a Ministerial chair. The Minister said that the role of the CAC is to provide advice to him on policy issues affecting service pension and compensation schemes. Given this remit, policy officials should be members of the CAC. The Minister added that the process of gathering and collating advice should be carried out by the CAC(O), which is then presented to the full CAC for consideration.

5. ARMED FORCES COMPENSATION SCHEME (AFCS) REVIEW

[REDACTED] provided an update on the progress being made to pay the additional benefits to claimants following the increases to the AFCS tariff award levels. SPVA had prioritised the most

seriously injured cases first (tariff levels 1-11). Payments for these 115 cases are expected to be paid by 22 December, with the remainder benefiting by Easter. █████ informed members that the changes had been explained to the Welfare service. The Minister asked that SPVA also communicate these changes, by letter, to the service charities before 19 December.

█████ asked whether there was anything else in the pipeline for AFCS. █████ informed members that a further set of amendments was currently being worked on. These amendments are as a result of the unclear wording in the current SI and PAT interpretations on that language. The amendments are expected to become effective by the middle of 2009.

█████ also raised the issue of the 2010 review and requested an independent chair to that review. The Minister said that it would be inappropriate to employ independent people for the review. However, the Minister stressed that the committee together with other interested parties would be fully engaged throughout the review. Although the review cannot start until April 2010, as claimants have 5 years in which to bring a claim, it was agreed that the draft TORs for the review will be ready to form an Agenda item for the June CAC meeting.

6. WAR PENSIONS SCHEME (WPS)

Peter Davies reminded members about the recent communication on the proposed minor amendments to WPS next April and offered members the opportunity to discuss these. Comments focussed on the proposed increase in the amount of the war pension funeral payment and the replacement of an individual payment calculated under complex rules with a simpler grant. █████ asked that something be built in to provide for automatic annual increases in the amount of the payment. █████ explained that the cost of funerals did not necessarily increase in line with the RPI, which sets the rate of increase for war pensions generally. The amount of the grant would be reviewed regularly in the light of changes in the cost of funerals.

█████ asked if the proposed removal of the rule on death in hospital meant that cases which would have succeeded following a recent Commissioners decision would now fail. █████ confirmed that this was the case, but the main reason for the removal of this rule was that it was becoming very difficult to administer because of the variety of institutions providing health care. He also commented that the decision in question had been contrary to the underlying longstanding principle of the funeral payment – that there must be some association between the death and service. In addition, the basic rule – that a funeral grant would be made where death was due to service – would cover nearly all the cases that would have succeeded under the death in hospital rule.

Members were reminded that formal comments in writing should be made by the end of January.

7. ARMED FORCES PENSIONS SCHEME (AFPS)

█████ thanked those members who had responded to █████ recent letter on the proposals to consult members for the first time on amendments for AFPS 75, AFPS 05, the Early Departure Payment Scheme and RFPS. █████ said that he would comment formally. He added that his impression was that the changes were uncontroversial.

█████ explained that forthcoming was predominantly on harmonisation of AFPS 75 which would result in the stripping out of non-pensions measures from the pension scheme and that re-writing of the rules so that they look the same for all three services. This work would also be the subject of consultation. The Minister asked that the committee be kept informed on progress.

Slightly ahead of the main harmonisation exercise, work was underway on separating Resettlement Commutation (RC) from the pension scheme as a way of ensuring that officers who are members of AFPS 75 continue to be able to realise the same amount in the form of a tax-free lump sum as they currently enjoy. This became necessary as a result of the introduction of the new Pension Tax Simplification legislation which imposes tax penalties on those who take more than 25% of their

pension pot as a lump sum. A Defence Internal Notice will be issued to serving personnel to inform them of the need to claim for RC before they leave service: retired personnel will be informed about the changes to commutation rules in the Paymaster letter.

8. REVIEW OF THE WAR PENSIONS COMMITTEES

Peter Davies led a discussion about the impending review of the WPCs and reminded members of their opportunity to comment on the draft TORs which had now been circulated. Peter Davies explained that the intent is for the Department to fully engage with CAC members, the wider ex-service community and the WPCs. Notwithstanding this, Peter Davies said that he was aware of concerns from some committee members about this approach. ██████████ said that although content with the TORs the review should be conducted by the CAC and other interested members. added that it was very important that the WPCs be given a role to play in AFCS matters. The Minister noted members concerns and said that the review must consider what services are needed for personnel and veterans for the future and more broadly how we engage with the service charities. The Minister added that as a starting point a seminar should be arranged in order to look at the work currently undertaken by the WPCs. ██████████ said that SPVA have a lot of experience in working with the WPCs and offered SPVA assistance for the review.

9. DATE OF THE NEXT MEETING AND CAC(O) MEETINGS

Subject to members availability the next full meeting under the Minister's chairmanship will be 17 June 2009. It was also agreed that a CAC(O) would called before Easter.

Post Meeting Note: Following the general consensus of members availability the next Ministerial chaired CAC will be held at 1100hrs on Wednesday 17 June 2009.

10. AOB

██████████ thanked the Minister for sorting out the post office card account. ██████ also thanked those who helped facilitate the Armed Forces Concessionary Travel Scheme.

150th MEETING OF
THE CENTRAL ADVISORY COMMITTEE ON PENSIONS AND COMPENSATION

Monday 19th October 2009 at 11.00am

Present:

Minister for Veterans (Chairman)
Peter Davies

[REDACTED]

[REDACTED]
Dr Anne Braidwood
[REDACTED]

Apologies received from:

[REDACTED]

In Attendance:

[REDACTED]

MEETING NOTE

1. CHAIRMAN'S OPENING COMMENTS

In the absence of the Minister, who was unexpectedly delayed, Peter Davies opened the 150th meeting and welcomed [REDACTED] from the War Pensions Committee and [REDACTED] as the Combat Stress representative, to the Committee. Members were asked whether they wanted to add anything to the Agenda. All were content for the Agenda to stand as drafted.

2. MINUTES OF THE 149th MEETING OF THE CAC

The Minutes of the 149th CAC meeting were agreed.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES AND HANDLING OF OUTSTANDING ISSUES

No outstanding issues arose from the previous Minutes.

4. AMENDMENT TO THE TERMS OF REFERENCE (TORs) OF THE COMMITTEE

Peter Davies informed members of the minor clarification to the TORs of the Committee. The intention being is to make clear who can serve on the CAC. Following a brief discussion it was agreed the proposed wording should be amended further and a copy of the TORs circulated to members for final approval.

AP01: CAC secretary to circulate revised TORs to members for final agreement.

Post Meeting Note: All CAC members have agreed the amendment to the TORs "as long as there are at least two ex-service personnel on the Committee, the Secretary of State may appoint non ex-service personnel".

5. ARMED FORCES COMPENSATION SCHEME (AFCS) REVIEW

Peter Davies informed members that the AFCS review was now underway. The first independent scrutiny group (ISG), under the independent chairmanship of Admiral The Lord Boyce, had met. The TORs for the review were expected to be published later today (19 October) and for a period of 4 weeks, the general public and the ex-service organisations were being invited to contribute to solutions and what should go into the review. Members were informed that the Court of Appeal had now provided some useful clarification on a number of points in the [REDACTED] (D&W) case and these would be taken into account as part of the review.

Members were informed that they would have an opportunity to feed in to the review through out of committee business. In the meantime, members were given the opportunity to discuss any aspects of the review.

[REDACTED] asked about the timeframe for the review. The Minister (who was now present) explained that the Court of Appeal decision on D&W would help the process and that it is hoped that Group would be able to respond before Christmas or early next year. The Minister stressed, however, that while setting a timetable is important, placing an artificial timetable on the Review and on Lord Boyce would be unhelpful. The key is to get the review right. [REDACTED] added that Lord Boyce will drive the review at speed but will be mindful of developing events.

The Minister said that if members come across individual cases the ISG needs to hear about them. [REDACTED] added that examples clearly exist and individuals need to be encouraged to come forward. The Minister agreed and stressed the importance of encouraging people to come forward now rather than after the door has closed.

[REDACTED] asked whether service personnel would be invited to contribute to the review. Peter Davies said that in addition to the general public, four focus groups (Headley Court and one for each of the 3 Services) would be set up to allow members of the Armed Forces to submit their views. [REDACTED] explained that it is important to make sure that those who provide advice and clarity on making a claim (Welfare and DMWS staff) are invited to input into the review. [REDACTED] added that the views of widows/partners should also be sought. The Minister agreed and said that it is important to get all perspectives on the scheme.

6. REVIEW OF THE WAR PENSIONS COMMITTEES (WPCs)

The Minister led a lengthy discussion about the WPC review. Peter Davies thanked members for their contributions so far. Responses received had now been distilled into three options and these had been sent to members last week.

Peter Davies explained the options and added that taking forward Option B⁴ would allow the WPCs to work alongside the Welfare Pathway pilot and provide an opportunity for statistics to be gathered on the workload of the WPCs. [REDACTED] said that Committee members had not had the opportunity to consider the options on the table and that the paper was not factually correct or a reflection on the key points of the seminar. [REDACTED] added that the paper did not establish a WPC role or whether the WPCs role would be broadened. An 18 month delay was not tenable as members were now unhappy and disillusioned. Reiterating previous requests, [REDACTED] said that there should be a formal review of the WPCs. [REDACTED] said that he was uneasy at how the options had been arrived at and agreed that a formal review should be carried out.

The Minister stressed that he was under pressure to abolish the WPCs but believed this would be a mistake. He added that a formal review would have abolished the WPCs. Option B, however, provided the WPCs with an opportunity to expand their role and would help to generate some evidence on the precise nature and workload of the WPCs. [REDACTED] added that while he was happy with Option B he felt that a year's pilot was too long: 6 months being about right. [REDACTED] said that a decision needed to be made as to whether to extend members beyond 31 December. Peter Davies said that if Option B is agreed then members will have to be extended for about 18 months. [REDACTED] felt that an opportunity to build something better was being missed: without putting something around Option B there would be nothing solid to build on. [REDACTED] said that WPCs have little knowledge of AFCS and that members would need training. The Minister said that

⁴ Option B – to determine whether a broader role exists for the WPCs (both for AFCS and wider assistance/advice alongside the Welfare Pathway pilots) a trial period of 12 months should be adopted to capture key statistical data in both pilot and non-pilot areas. A decision as to the future role of the WPCs would follow upon evaluation of the data collected.

TORs for the pilot scheme should be drawn up and circulated to CAC members. He added that CAC should review the pilot in 6 months time.

AP02: SPVA and PCV to draft TORs for the future role of the WPCs, circulating to CAC and WPC members on completion.

7. ARMED FORCES PENSION SCHEME HARMONISATION AND ARMED FORCES ATTRIBUTABLE BENEFITS

██████████ updated members on the work currently be undertaking to harmonise the three Services' versions of the rules for the Armed Forces Pension Scheme 1975. The scheme is currently set out on a single service basis in three different Prerogative instruments. Although the instruments set out the same scheme, they are quite different in their format and language. The objective of the harmonisation exercise is to streamline the rules to provide basically the same text for each instrument, thereby improving prospects for consistency and easier decision making. In addition, the Finance Act 2004, requires occupational pension schemes to remove 'non pension' provisions by 6 April 2010 otherwise punitive tax charges will be made on the pension member and the pension scheme. Therefore attributable benefits for conditions/deaths caused by service before 6 April 2005 will be stripped out of the pension scheme to form a stand alone scheme made under the Prerogative Instruments, known as the Armed Forces Attributable Benefits Scheme 2010. The level of benefit and entitlement remains unchanged. Provisions for Full Time Reserve Service, gallantry awards, redundancy payments, resettlement commutation, resettlement grants and gratuity earners will form separate arrangements under Statutory Instruments.

██████████ asked whether the harmonisation will look at the Temporary Allowance for Widowers (TAW). ██████████ said that the TAW was being covered. ██████████ asked about Transfers out. ██████████ said that he would look into his query.

██████████ asked how harmonisation would affect the pension rights of children who are still in education. ██████████ explained the current rules and undertook to look to see whether there was such a provision in the new rules. ██████████ asked whether a fact sheet paper could be drawn up and sent to all members. ██████████ added that it would be extremely helpful to draw all the papers together in one document.

AP03: PCV to investigate cases of members transferring out of AFPS.

AP04: PCV to ensure children who are still in education are reflected in the harmonised rules.

AP05: PCV to draft a fact sheet on harmonisation.

8. DATE OF THE NEXT MEETING

Subject to members availability the next full meeting under the Minister's chairmanship will be in June 2010.

AP06: CAC Secretary to consult CAC members availability for the next full meeting of the CAC in June and December 2010.

9. AOB

No additional matters arose.

MINUTES OF THE 151st MEETING OF
THE CENTRAL ADVISORY COMMITTEE ON PENSIONS AND COMPENSATION

Wednesday 9 June 2010 at 1030hrs

Present:

Minister (DPWV) (Chairman) [REDACTED]

Jeff Garrett [REDACTED]

[REDACTED]

Dr Anne Braidwood [REDACTED]

[REDACTED]

Apologies received from:

[REDACTED]

In Attendance:

1. CHAIRMAN'S OPENING COMMENTS

1.1 The Minister welcomed members to the 151st meeting of the CAC, his first as a Minister. In particular, he welcomed [REDACTED] from the Naval Families Federation to her first meeting. He outlined the resource challenges the Department faced and stated that the Strategic Defence and Security Review (SDSR) would require some tough choices in relation to MoD's future plans. The intention was to publish a White Paper by the end of the year.

1.2 The Minister informed members that he and the Secretary of State were clear that one of the Department's highest priorities was how it looked after the welfare of the Armed Forces, their families and ex-service personnel. Dr Andrew Murrison had been appointed by the Prime Minister to undertake a study into the health of the Armed Forces, assessing their needs, particularly those with mental health issues.

1.3 As the new chairman of the CAC the Minister outlined three principles for future working of the Committee. Firstly, he saw members' extensive expertise and knowledge as essential in advising him on policy for the Service pension and compensation schemes. Secondly, the Committee should focus on high level strategic issues. Finally, wider ex-service or Service personnel issues should be left to other fora to allow the Committee the room to concentrate on the pensions and compensations agenda.

1.4 On the AFCS Review, it was important to maintain momentum and firmly focus on delivery given the demanding timescale being worked to. The CAC should therefore resist re-visiting the Review's recommendations, particularly in view of the financial constraints he outlined at the beginning.

2. MINUTES OF THE 150th MEETING OF THE CAC

2.1 The minutes of the last meeting were approved.

3. MATTERS ARISING FROM THE MINUTES OF THE LAST MEETING

3.1 Jeff Garrett provided an update as follows:

3.1.1 AP01 to circulate revised TORs to members for final agreement was completed.

3.1.2 AP02 to circulate draft TORs for the future role of the WPCs (now Veterans Advisory & Pensions Committee) was completed.

3.1.3 AP03 PCV had undertaken to investigate cases of members transferring out of AFPS 75. It found that some personnel had opted out in the early 1990s following a change in the law which made membership of an occupational pension scheme non-compulsory. In 1992, the SPVA ceased to produce data on opt outs given the small numbers involved. There were no known cases after this date of active members opting out of AFPS 75 and AFPS 05 to personal pension scheme. Action completed.

3.1.4 AP04 - harmonised rules and children in education. Prior to harmonisation, the AFPS 75 rules did not include an age limit for the payment of pensions to eligible children in education. The introduction of the Finance Act 2004 required pensions for children to stop at age 23 irrespective of whether in full time education, unless they were dependent as a result of a disability. These provisions were therefore included in the harmonised AFPS 75 rules in compliance with the Finance Act 2004. The Act applies to all pension schemes, and the Department has no discretion in this matter. Action Completed.

3.1.5 AP05 - harmonisation fact sheet. A Defence Information Notice (DIN) had been drafted on the restatement (or harmonisation) of AFPS 75 (and the Full Time Reserve Service Regulations). The DIN, which sets out the background to, and detail of, the harmonisation work is due to be published soon. [Secretary's note: The final copy of the DIN is attached to these minutes. Action completed].

4. PROGRESS ON THE AFCS REVIEW IMPLEMENTATION

4.1 ██████████ presented an update on the Review implementation, outlining the phases of work and associated timelines necessary to allow for the introduction of relevant legislation by February 2011. Some 'quick win' changes would be made in July 2010. These will include increased time limits for claims from 5 years to 7 years, and the prospective increase to the Bereavement Grant from £20,000 to £25,000.

4.2 Separate work was in hand with the Interim Independent Medical Expert Group (IIMEG) also to meet the February 2011 legislative changes. Following these changes, all previous awards under the Scheme would be revisited and uplifts applied to claims in line with the new, increased, Scheme benefits. It was estimated that this would amount to in excess of 9,000 awards, and would therefore take some time to administer. All uplifts were expected to have been paid by June 2012.

5. UPDATE ON PROGRESS OF THE INTERIM INDEPENDENT MEDICAL EXPERT GROUP (IIMEG)

5.1 [REDACTED], chair of the IIMEG provided an update on the IIMEG. He reported that the Group had been set up to address specific injuries identified by Lord Boyce as requiring early attention, in time to meet the February 2011 legislation.

5.2 The Group had convened three times and had had extensive discussion on those specific injuries (brain injury, spinal cord injury, hearing loss: acoustic trauma and thresholds, injury to genitalia, infertility, loss of use of limb (compared to loss of limb), paired injuries, non-freezing cold injury and mental health), with the exception of mental health. They would soon be in the position to provide conclusions on each. The Group would provide a report on their recommendations, including tariff descriptors and tariff levels on each injury to the next ministerial meeting of the CAC. He explained the principles that the Group had adopted when considering each injury and the appropriate tariff levels, which in some cases would require legislative amendment. An important consideration when setting the tariff award was the impact of the injury on future post service employability.

5.3 The IIMEG was scheduled to have a further meeting in Sept 2010. Two public meetings covering the Group's approach and emerging findings would be held in the Autumn, one of which may take place in Headley Court. These would be aimed mainly at potential claimants of the scheme and their representatives.

5.4 [REDACTED] suggested that one of the public meetings take place in Haslar Company in Plymouth. She also made the point that in relation to injury to the genitalia, it was not necessarily compensation that was of concern to patients, but the provision of appropriate treatment. [REDACTED] confirmed that the IIMEG recognised this and would be recommending that such individuals be entitled to three NHS delivered IVF treatment cycles.

AP01 Chair of IIMEG to provide report on their recommendations to the next ministerial CAC meeting.

AP02 IIMEG to consider meeting at Haslar Company in Plymouth.

6. US REPORT ON "GULF WAR & HEALTH"

6.1 The Minister stated that he had seen active service in the first Gulf War in Kuwait and the Gulf and had had the necessary injections required for deployment. He referred members to the brief note on the US report which had been circulated to the CAC and invited questions.

6.2 [REDACTED] reported that the US Veterans Agency had produced a comprehensive action plan in response to the report and that it planned further research. The Gulf War Group of TRBL would be writing to the Minister in due course calling for an official MOD response to the US plans. [REDACTED] pointed out that Gulf veterans were not necessarily seeking compensation, but treatment for their condition, and it was important to cooperate with the US on areas of common interest.

7. AOB

UPDATE ON THE APPOINTMENT OF CHAIRS TO THE VETERANS ADVISORY AND PENSIONS COMMITTEES (VAPC) (WPCs REVIEW)

7.1 [REDACTED] summarised the background to the VAPC and updated the Committee on the latest position on the recruitment campaign to fill chairs to the VAPC. She

confirmed that the 13 chairs had been appointed with effect from 1 April 2010. The recruitment of members was currently in hand with a view to letters of appointments being issued by 30 June. The role of the VAPCs would then be reviewed six months after this date.

7.2 [REDACTED] felt that it would be counter-productive to consider the VAPC in isolation and that they should be looked at in the context of the wider charity and voluntary sector organisations providing similar functions.

UPDATE ON THE REVIEW OF PUBLIC SECTOR PENSION

7.3 Jeff Garrett stated that pensions were a key component of the remuneration package for Service Personnel. However, the cost of pensions would continue to rise significantly over the next few years. As part of the Strategic Defence and Security Review (SDSR) work was being undertaken to examine all elements of the current employment model: career management, pay, allowances, accommodation and pensions with a view to identifying whether changes were required to support future force structures.

7.4 He reported that the Government was committed to establishing an independent commission to review the long term affordability of public service pensions. The terms of reference for the commission would be a matter for Treasury Ministers to announce in due course. It was nevertheless clear that the review would be wide-ranging and would include the Armed Forces. Any proposed changes resulting from the SDSR would need to be consistent with the recommendations of the commission.

7.5 [REDACTED] stated that the Armed Forces Pension Schemes were uniquely designed to support recruitment and retention, and should be recognised as such.

7.6 Min(DPWV) agreed that the need to recruit and retain the best people in the Armed Forces was dependent on offering a remuneration package which recognised the particular demands of military service. Nevertheless, this did not exclude personnel costs from review as part of the SDSR.

7.7 [REDACTED] requested that the Forces Pension Society was kept in the loop and consulted on developments with this issue.

8. DATE OF THE NEXT MEETING

8.1 The next Ministerial meeting is due to take place on **Tuesday 7 December 2010 at 1030hrs.**

MINUTES OF THE 152nd MEETING OF
THE CENTRAL ADVISORY COMMITTEE ON PENSIONS AND COMPENSATION

Wednesday 2 February 2011 at 1100hrs

Present:

Minister (DPWV) (Chairman)

[REDACTED]

Jeff Garrett

Dr Anne Braidwood

[REDACTED]

Jon Parkin

[REDACTED]

Apologies received from:

[REDACTED]

In Attendance:

[REDACTED]

1. CHAIRMAN'S OPENING COMMENTS

1.1 The Minister(DPWV) welcomed members to the 152nd meeting of the CAC, his second in office. He informed members of the continuing need to cut the fiscal deficit, which has meant that the MOD needs to make several tough decisions. Minister expressed that, while members of the committee are expected to campaign vigorously on issues which concern them, the Government cannot exempt pensions and compensation from these tough decisions. However, the Minister expressed his wish that any discussions with Government would maintain a spirit of constructive partnership.

1.2 The Minister informed members that the Government was still committed to looking at cases of perceived inequity. Minister hoped that the changes to the pension benefits for those who die while serving in acting rank reflected this commitment.

1.3 Minister expressed a particular welcome to the two new members of the committee: Jon Parkin from SPVA and [REDACTED] from Combat Stress. In particular, the Minister wished to re-emphasise the Government's commitment to supporting Service personnel and veterans who are suffering with mental health problems, as demonstrated through the work of [REDACTED] IMEG. He expressed his hope that Combat Stress and the MOD may continue to work closely together on this issue.

2. MINUTES OF THE 151st MEETING

2.1 [REDACTED] wished an amendment to be added to the previous minutes. He wished to have added that: In the 151st meeting it was noted that under the previous administration the widows' pension for life issue was tasked to Harriet Harman,

former Minister for Women and Equality. Under the new Government, [REDACTED] had written to Theresa May, Home Secretary, her successor as Minister for Women, and Lynne Featherstone, Parliamentary Under Secretary for Equality, to continue the discussion, but is still waiting for a reply.

Minister agreed to have [REDACTED] amendment added to the minutes.

AP01: PCV to add [REDACTED] addition to the 151st CAC minutes and circulate the new minutes to the committee.

The rest of the minutes of the last meeting were approved.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES

3.1 There were two action points from the last meeting:

AP01 – Chair of IMEG to provide report on their recommendations at the 152nd CAC meeting. This was completed in the meeting at agenda item 8.

AP02 – IMEG to consider meeting at Haslar Company in Plymouth. The IMEG met at Haslar Company on 22 October 2010.

4. THE WAR PENSION SCHEME

4.1 [REDACTED] raised two concerns under this agenda item. On the issue of keeping beneficiaries informed of changes to the Scheme which might affect them, [REDACTED] mentioned that she was concerned that war widows who had remarried had few means to find out that they could have their pension reinstated. She highlighted that a tribunal had ruled that the MOD was not providing enough public information on this subject and had a consequent responsibility to make sure that this information was more widely in the public domain. She suggested that this information could in future be provided by the Department for Work & Pensions and SPVA in the form of a leaflet.

AP02: Minister(DPWV) and Jon Parkin agreed to look further at working with other governmental departments to improve the way that SPVA and DWP co-ordinate information.

4.2 [REDACTED] further raised the issue of progress on the War Widows' Association's proposal for the introduction of a new age allowance at 90 years. [REDACTED] stated that the numbers that would be affected are very small (there are 15,510 war widows' pensions in payment for those between 85-95+).

4.3 [REDACTED] commented that he would wish to see this proposal extended for all veterans.

4.4. Minister(DPWV) agreed to open up a proper consultation on the proposal and to look at further arrangements that might be more beneficial for older people.

AP03: PCV to open up a full consultation and discussion on the introduction of an age allowance at 90 years and to look at further arrangements for the elderly.

5. WIDOWS' PENSION FOR LIFE

5.1 [REDACTED] issued a statement on the item. In this he wished to highlight that there are precedents of schemes changing within their life time and that one should properly consider the effects of any changes to pensions as these would last for 40 or 50 years.

5.2 On the issue at hand, [REDACTED] stated that all widows in the Armed Forces' community should be treated equally. He wished that some of the money saved through indexation might go towards providing equality of widows' pensions, as these costs are relatively small. He further urged the Minister(DPWV) to make these equalising changes sooner rather than later. [REDACTED] supported [REDACTED] sentiments.

5.3 With relation to the Armed Forces Pension Scheme 1975 (AFPS 75), Minister mentioned that the Government's position, as was that of the previous administration, is that no retrospective changes can be made to the Scheme, especially given the potentially large extrapolation costs across the public sector. The Minister mentioned that he saw little likelihood that HM Treasury would change its view on changing the pension scheme.

5.4 [REDACTED] noted that he was not looking for retrospection but for future changes. [REDACTED] further noted that he wished the Minister(DPWV) to make a political case for equality of widows' pensions.

AP04 Minister(DPWV) will write a letter to George Osborne, the Chancellor, on behalf of the Forces Pension Society.

5.5 With regard to the War Pension Scheme (WPS), [REDACTED] wished the Minister to consider including introducing 'pensions for life' for post 1973 widows. She noted that there are only small numbers who would be affected and that pensions are decreasing from this category.

5.6 The Minister stated that he had written to HM Treasury on this matter but HM Treasury did not support the proposal because of its potential costs and retrospection issues. Min(DPWV) suggested that [REDACTED] write to Mr Osborne and Lord Hutton and raise her concerns. Minister would also write again to the Chancellor but did not wish to raise expectations.

APO5 [REDACTED] to write to George Osborne and Lord Hutton. Min(DPWV) to write to the Chancellor.

6. INCOME TAX RELIEF ON PENSION CONTRIBUTIONS

6.1 [REDACTED] issued a statement on the item. In this he issued Forces Pension Society statistics which suggest that: any rank above OF3, especially those who are promoted quickly, will incur an immediate income tax liability; at the OF5-6 level this could be in the level of £20,000; therefore, a fast promoting officer (who moves from OF3-7) may face a total bill of £70,000. [REDACTED] believes that this will: discourage ambition for promotion; have a negative effect on the Armed Forces Community and especially wives; and be damaging to the leadership of the Armed Forces.

6.2 The Minister(DPWV) empathised with [REDACTED] concerns and gave his assurances that he did not come into office to undermine the Services. He reassured the Committee that he is looking at measures to mitigate the effects of the changes on the Armed Forces. He has already achieved some concessions for example, the Minister went for a meeting with the Chief Secretary and managed to gain allowances for the Armed

Forces. These include a three year carry forward of unused allowance and a more generous Annual Allowance level of £50,000 which should partially mitigate the impact of promotion spikes and salary increases, reducing the numbers affected significantly to around 1,000. There will also be protection available for individuals who may be affected by the reduction to Life Time Allowance.

7. INDEXATION

7.1 [REDACTED] issued a statement on the item. He stated that it was his belief that the RPI/CPI conversion is not based on empirical evidence but is instead a cost-cutting initiative. He referred to evidence from the Royal Statistical Society and the Office for National Statistics which suggests that CPI is not fit for purpose. [REDACTED] requested that the Government protects those more vulnerable within the Armed Forces from the effects of the index change.

7.2 Min(DPWV) noted that, within the current fiscal climate, the Government needs to make public sector finances more stable and the Armed Forces cannot be exempted from this. The Minister referred to his recent meeting on 1 February with [REDACTED], Chief Executive of the Forces Pension Society, in which Minister agreed to write to HM Treasury to try to gain exceptions for three vulnerable groups: the seriously injured; widows; and early leavers.

7.3 [REDACTED] noted that the impact on the AFCS' Guaranteed Income Payment (GIP) is significant and an appeal for an exemption for GIP would be positively welcomed. He does not see any member of the public taking issue with this.

7.4 Min(DPWV) agreed with [REDACTED] and felt that such an exemption would send a signal to show that those injured in service receive and deserve proper compensation.

7.5 [REDACTED] suggested that the Government looked at other indexes that the government could use (e.g. Average Earnings Index) and wished the government to acknowledge that there is a problem with CPI. He added that Armed Forces pensions are taken as a benefit upon recruitment and the Government should not be changing this.

7.6 [REDACTED] echoed [REDACTED] concerns about the index change affecting Service morale and commented that families are feeling bruised and flat. She noted that it is the first time in her knowledge that families have started raising the subject of pensions.

7.7 [REDACTED] voiced caution over the slippery nature of sub-categories and suggested that the group further defined the categories that it wishes to exempt and the indexation that it would like to use.

7.8 [REDACTED] named the sub-groups as the War Pension Scheme and Armed Forces Compensation Scheme (AFCS).

AP06 Min(DPWV) to write to HM Treasury on behalf of three sub-categories: the seriously injured; widows; and early leavers.

8. PROGRESS ON THE AFCS REVIEW IMPLEMENTATION – INCLUDING PROGRESS WITH IMEG PROPOSALS

8.1 [REDACTED] informed the committee that it is now almost one year on from the publication of the Lord Boyce Review into the AFCS. All of Lord Boyce's recommendations will be implemented by the end of February, when the legislation is laid, which means that the government has fulfilled its promise to implement all of Lord Boyce's recommendations within a year. She added that all of the new legislation will be operational in May 2011.

8.2 [REDACTED] provided an update on the work of the Independent Medical Experts Group (IMEG). He thanked all those in the committee who responded to the IMEG's consultation report. He added that the first report of the group is in the process of being published. Comments on the report have been supportive. The IMEG will carry on work this year on mental health and deafness.

8.3 [REDACTED] paid tribute to [REDACTED], [REDACTED] and the IMEG for their hard work. He added that he will be looking forward to seeing their further work on deafness thresholds.

8.4 [REDACTED] endorsed [REDACTED] comments and added that she would like to see the IMEG continue. This was echoed by [REDACTED] who welcomed [REDACTED] many visits to Haslar Company. [REDACTED] offered his full support to [REDACTED] work on mental health this year.

8.5 Min(DPWV) thanked [REDACTED] and her team for their hard work in implementing the AFCS Review changes and gave especial thanks to Professor Sir Anthony for his rigour, clinical understanding and expertise. He added that there were no plans to end the work of the IMEG.

9. AOB

9.1 [REDACTED] commented that there is a lack of understanding that the GIP refers to the AFCS and not the WPS. She wished that correspondence to war widow(er)s would be made clearer to ensure that recipients know under what scheme they are receiving a pension: the language used ought to be War Widows' Pension (WWP) for WPS and Survivors' Guaranteed Income Payment (SGIP) for AFCS.

AP07 Jon Parkin to review correspondence letters to see if SPVA can tighten the language used.

9.2 [REDACTED] notes that it is difficult to keep being told about the deficit when, presentationally, the Government is announcing an extra £400M for mental health services.

9.3. [REDACTED] would like to see SPVA with the ability to make in-house IT changes. Jon Parkin commented that making even minor changes is very costly.

9.4 [REDACTED] further requested an update on the Stewardship Review. [REDACTED] responded that his officials are currently drawing up a consultation document which will include suggestions that they have received from external members.

AP08 Jeff Garrett to update the Committee on the consultation document at the next meeting.

9.5 [REDACTED] requested that in future briefing notes would be issued with the agenda.

AP09 [REDACTED] to provide briefing notes for the next meeting.

9.6 [REDACTED] would like to thank Min(DPWV) for the progress that he feels the Government is making with prosthetics, as a result of Andrew Murrison's review.

10. DATE OF NEXT MEETING

10.1 The date of the next meeting will be circulated to members in due course.

10.2 Min(DPWV) offered his thanks to [REDACTED], who is retiring from her role as Chairman of the War Widows' Association, for her support and service to the Committee.