



Ministry
of Defence

Defence Business Services

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REF: FOI2020/00630

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Ms [REDACTED]
[REDACTED]

13 February 2020

Dear [REDACTED]

Thank you for your email of 16 January 2020 requesting the following information:

When calculating the Immediate pension and Lump sum elements for a soldier who has service under both AFPS 75 and AFPS 15 and who was commissioned as a Late Entry Officer after April 2015, what pension rates are used by the MoD pension calculator Version 2019 for the calculation of the AFPS 75 element of the immediate pension and lump sum.

In answering this question I would be grateful if the exact methodology is explained. A manual calculation comparison indicates that rates applicable to non-commissioned service may be being used. Is this correct?

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

The Act provides applicants with a right of access to recorded information held at the time the request is made there is no requirement under FOI to create information to respond to question posed and submitted under the Act.

A search for the information has now been completed within the Ministry of Defence, and I can confirm that recorded information to explain the exact methodology for your specific request is not held.

This is because the online calculator uses defined parameters for producing a pension forecast based on the details the individual enters onto the calculator. If the details the individual inputs into the calculator puts them into the category of qualifying for an officer's pension, the figures produced will be based on officer rates. If the dates entered mean that they do not qualify, then the calculator will project using other ranks rates and if the member has two years or more in their commissioned rank the rates used will be Other Rank 9. Where the individual was commissioned before 1 April 2015 they may also receive a commissioned rank addition based on their time from commission to 2015.

If the individual was commissioned after 1 April 2015; they would not qualify for a Commissioned Rank Addition. Commissioned Service Additions for each year are calculated on the basis of; $\frac{3}{7}$ of the difference between the 36 and 37 year pension points for all ranks, Other Rank 9 and below, rounded to the nearest penny.

The calculator is a rough projection and contains a disclaimer in relation to its use.

The following information may be in scope of the first part of your request namely:
“what pension rates are used by the MoD pension calculator Version 2019 for the calculation of the AFPS 75 element of the immediate pension and lump sum.”

The link below provides the 2018 pension code table for other ranks:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/771393/20180331-OtherRanksPensionBenefits-2018-April.pdf

Defence Instruction Notice (2013DIN01-205) provides service personnel with information on the rules associated with Officers Commissioned from the Ranks. It covers the current rules for officers in the Armed Forces Pension Scheme 75 who commission from the ranks and explains that they must serve five years in their commissioned capacity before they receive officers pension rates.

A copy of the DIN is attached, however, some of the information falls entirely within the scope of the absolute exemptions provided for at section 40 (Personal Data) and has been redacted.

Section 40(2) has been applied to some of the information in order to protect personal information as governed by the Data Protection Act 2018. 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.

For Late Entry Officers there is a separate rate called Late Entry Rates. The link below shows the pension code rates for the scheme. Late Entry rates were introduced from 6 January 2014 and the officer can only receive these rates once they have served 5 years in their officer rank:

<https://www.gov.uk/government/publications/tri-service-pension-codes-april-2019/officers-retired-pay-and-lump-sum-benefits>

The accrual is much simpler for Armed Forces Pension Scheme 05 members as it is $\frac{1}{70}$ th of final pensionable earning multiplied by reckonable time served. In the case of Armed Forces Pension Scheme 15 members; $\frac{1}{47}$ th of pensionable pay throughout the members

service grows to form their pension pot, this is a Career Average Revalued Earnings Scheme. Unlike the Armed Forces Pension Scheme 75, which is more complex, as it does not derive from the members actual salary and accrual is not even. Preserved pensions derive their entitlement for other ranks at a rate of 2.75% of the full career pension for the rank times reckonable service and for officers this is 3%.

Under Section 16 of the Act (Advice and Assistance) you may find it helpful to note:

Accrued Rights Members commissioned after 01/04/2015

Where a member is commissioned after transition into the Armed Forces Pension Scheme 15 and they serve more than two years but less than five years of their commission the accrued rights pension is based on the rank of Other Rank 9, and they have no entitlement to Commissioned Service Additions under Armed Forces Pension Scheme 75. It is not possible to give entitlement under Armed Forces Pension Scheme 75 to something the member did not qualify for as a member of that scheme.

Accrued Rights Members commissioned before 01/04/2015 (CSA)

Where an officer commissioned from the ranks in the Armed Forces Pension Scheme 75 transitions into the Armed Forces Pension Scheme 15 then leaves with more than two but less than five years commissioned service, the accrued rights pension is based on the rank of Other Rank 9 and they have an entitlement to Commissioned Service Additions under Armed Forces Pension Scheme 75 but only for the time spent as an Late Entry Officer up to 1 April 2015.

As an example; a Late Entry Officer commissioned from the ranks six months before transition into Armed Forces Pension Scheme 15, leaves service as an Armed Forces Pension Scheme 15 member with a total of 23 year's service from age 18. He has served more than two years but less than five years of his commission, the accrued right entitlement of Armed Forces Pension Scheme 75 is based on Other Ranks 9 rates for 21 years + 6/12 of the annual rate of Commissioned Service Additions.

You may find it helpful to note that a facility exists for members to request a pension forecast. If an individual believes the figures provided by the calculator are incorrect, they can contact the pensions team who will investigate their concerns. Further information on this process and the relevant forms can be found at the following link:

<https://www.gov.uk/armed-forces-pension-calculator>

If you have any queries regarding the content of this letter, please contact this office in the first instance.

If you wish to complain about the handling of your request, or the content of this response, you can request an independent internal review by contacting the Information Rights Compliance team, Ground Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-

FOI-IR@mod.gov.uk). Please note that any request for an internal review should be made within 40 working days of the date of this response.

If you remain dissatisfied following an internal review, you may raise your complaint directly to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not normally investigate your case until the MOD internal review process has been completed. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website at <https://ico.org.uk/>.

Yours sincerely,

A solid black rectangular box used to redact a signature.

Defence Business Services Secretariat