



Ministry  
of Defence

**Defence Business Services**

Head DBS Secretariat  
MOD Abbey Wood North  
Oak West Level 1  
Bristol BS34 8QW

[DBSRES-Secretariat@mod.gov.uk](mailto:DBSRES-Secretariat@mod.gov.uk)

Ref: FOI2020/01112/

19 February 2020

Dear Mr Thank you for your email of 27 January 2020 to the Ministry of Defence (MOD) requesting the following information:

*“Why are Armed Forces services personnel in their final few months of service unable to get a confirmed pension and lump sum statement, in order that they can plan their life after service?”*

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

A search of the information has been completed and I can confirm that some of the information within the scope of your request is held.

Section 1 of the FOIA gives an applicant the right to access recorded information held by public authorities at the time the request is made and does not require public authorities to answer questions, provide explanations or give opinions, unless this is recorded information held.

However, under Section 16 (Advice & Assistance) you may be interested to know that pension benefits are calculated by reference to what is known as a service person's Career Average Revalued Earnings (CARE). The MOD will add an amount equal to 1/47<sup>th</sup> of the annual pensionable earnings for that year to the individuals 'pension pot' annually. This accumulates from the first day of paid service and is carried forward into each year where it will grow 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 service person leaves the Armed Forces.

Therefore, all actual earnings, up to and including their last day of service, are taken into account when calculating the pension benefits payable. As such, only pension forecasts can be supplied before service end date as the pension is based on the individual's pensionable earnings and confirmation of pension payment cannot be provided until the final CARE Pot has been calculated once the service person discharges.

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](mailto: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

Defence Business Services (Secretariat)