



Ministry
of Defence

Public Sector Equality Duty

Armed Forces Pension Scheme: *Retrospective Remedy* –

Equality Impact Assessment (Supplement)

Divorce & Dissolution

3 April 2023

Divorce & Dissolution

Policy Decision

1. The detailed proposals for dealing with pensions on divorce are set out in Enclosure 13, published in conjunction with this supplementary EQIA. The proposals are relatively complex and only very briefly set out here: it is important to refer to the full details at Enclosure 13.
2. No special provision is made for members whose pension is subject to a pension attachment order or earmarking order. Any changes to the value of a pension in payment will feed through to the amount payable under the relevant order. To the extent that this may mean that the former spouse has been overpaid, MOD has discretion to waive this liability in appropriate cases. It is in the nature of an Earmarking Order/Pension Adjustment Order that the pension ultimately payable is uncertain.
3. The scheme rules do require amendment where a Pension Sharing Order is in place. The remedy applies different rules to Pension Credit Members (PCM) (former spouses of members) and Pension Debit Members (PDM) (members whose pensions are shared).
4. The aim of the remedy for PCMs is to ensure that they receive the higher amount possible under the two remedy options (legacy / reformed scheme benefits).
5. The aim for PDMs is to ensure that ultimately their pension will be calculated on the basis of their remedy choice.

Analysis

6. 1,516 members of the McCloud cohort are currently recorded as divorced and therefore potentially within scope of this policy. This number will increase over time as in-scope members divorce/dissolve partnerships in the future.
7. The proposal to separate the outcomes for PCMs from the outcomes for PDMs will primarily affect women who, for the Armed Forces pension schemes, constitute 99% of in-scope PCMs. We do not hold full details of the protected characteristics of all Credit Members.
8. We do not believe that this policy will result in any inequitable results for either PCMs or PDMS:
 - a. PDMs can make the right election for themselves, unconstrained by the potential effect on their former partner.
 - b. PCMs are not affected by their former partner's remedy election and receive the highest value for their pension credit share.
9. We do not consider that any other protected characteristics are applicable to this aspect of the remedy.

