

**Immediate Choice** 

(left service on or before 30 September 2023 with benefits in payment)

AFPS 75/AFPS 05/AFPS 15

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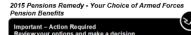
Part One – Contents of the RSS

# **Part 1 - Important Information**

- This guide is designed to assist you in understanding your Remediable Service Statement (RSS). The RSS allows you to compare your pension benefits and make a choice. If you are unsure about certain aspects of your pension scheme(s) or the 2015 Pension Remedy, then booklets are available on the gov.uk website at <a href="https://www.gov.uk/guidance/pensions-and-compensation-for-veterans">https://www.gov.uk/guidance/pensions-and-compensation-for-veterans</a> which provide further detail.
- The RSS is tailored to you so the information it contains is only relevant to your circumstances.
- The information in this guide is for those members with remediable service who left service on or before 30 September 2023 with a pension or EDP benefit in payment, or their dependants. A guide for those who have re-joined the service in the remedy period and have a mix of regular and reserve service will be published separately.
- The guide is split into 5 parts. Individuals should read all parts of the guide. Part 1, 4 and 5 provide useful information about the RSS and how to make an election. Part 2 explains the make up of the RSS and Part 3 under/over payments.
- It is important to note that current benefits are those that you are in receipt of now. If you were a
  protected member and did not transition to AFPS 15 on 1 Apr 15, these will be legacy benefits. If you
  did transition to AFPS 15 on 1 Apr 15, these would be AFPS 15 style benefits. This distinction is
  important because if you **do not** make an election you will default to legacy benefits for the remedy
  period, which may not be the benefits which you are currently in receipt of.



Date: 05 December 2023 Contact us: Your reference: AFPSRSS0003 Our reference:



This letter is important. Please read it carefully, take the required action and keep for future reference.

You are eligible for the 2015 Pension Remedy which rectifies the discrimination identified by the Court of Appeal in 2018. More details on the background are and can be found by searching "Armed Forces 2015 remedy" on our uk

This means you have a choice of which pension benefits to receive for any pensionable service you completed between 1 April 2015 – 31 March 2022 (the remedy period).

You can choose to continue receiving your current benefits or choose to receive alternative scheme benefits for your service in the remedy period. Please <u>read</u> the enclosed **Remediable Service Statement (RSS)** which details your options in full to help you make your choice.



Please <u>tell us your choice</u> by completing the enclosed remedy election Form and return it to us at the address above. You must return the Remedy Election Form within 12 months from the date of this letter.

Once made, your choice is final. Please share the RSS with you advisor if you take independent financial advice.



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# Part 1 - Important Information continued

- For those individuals where additional calculations are required, such as divorce or pension transfers, additional detail will be shown in the RSS. This guide will be updated in due course to include detail on these aspects.
- You are required to make an election by the end of your election period. This period expires **12 months** from the date of issue of your RSS. If you do not make an election, you will default to legacy benefits which may not be the original benefits you retired with. Any change in benefits may result in under or overpayments.
- In your RSS you will find the values of the benefits you currently receive and any benefits payable at a future date, i.e. AFPS 15 at State Pension Age. You will also be presented with your alternate option. All future values are based on today's money.
- You will also be presented with a summary of any under or overpayments and the interest that may apply in the event of your election. These values are based on the date the RSS is produced and will be re-calculated when your choice is received. There is some additional detail in the Frequently Asked Questions section of your RSS.
- All the values in this guide are illustrative only and are provided to help you navigate through the RSS; they are not
  representative or designed to steer your decision in any direction. Your decision must be based on the amounts shown in your
  personalised RSS.
- Make sure you assess all your options; what is payable today, what is payable in the future, and what your dependant benefits are worth.

### **Part 1 - The Covering Letter**

### The letter which accompanies your RSS is an important document and you should read it in full.



YOU MUST TAKE ACTION ON THIS DOCUMENT AND RETAIN A COPY FOR YOUR RECORDS Armed Forces Pension Scheme Mail Point 380 Kentigern House 65 Brown Street Glascow G2.8EX

Dear

2015 Pensions Remedy - Your Choice of Armed Forces Pension Benefits

#### nportant – Action Required Review your options and make a decision

This letter is important. Please read it carefully, take the required action and keep for future reference.

You are eligible for the 2015 Pension Remedy which rectifies the discrimination identified by the Court of Appeal in 2018. More details on the background are and can be found by searching "Armed Forces 2015 remedy" on gov.uk.

This means you have a choice of which pension benefits to receive for any pensionable service you completed between 1 April 2015 - 31 March 2022 (the remedy period).

You can choose to continue receiving your current benefits or choose to receive alternative scheme benefits for your service in the remedy period. Please read the enclosed Remediable Service Statement (RSS) which details your options in full to help you make your choice.

#### Actions !

Please tell us your choice by completing the enclosed remedy election Form and return it to us at the address above. You must return the Remedy Election Form within 12 months from the date of this letter.

Once made, your choice is final. Please share the RSS with your advisor if you take independent financial advice.

Contact us: Civillan: 0800 085 3600 Email: DBS-JPAC@

Date: 05 December 2023

Our reference:

Contact us: Your reference: AFPSRSS0003

> dbspv mod uk Address: AFPS Mail Point 380 Kentigern House 65 Brown Street Glasgow G2 8EX



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Enclosures

Important – Action Required Review your options and make a decision.

This section explains your eligibility for the 2015 Pension Remedy and that you have a choice of benefits for service completed in the remedy period.

#### Actions!

Remedy Election Ecro Frequently Asked Questions

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This section explains how to make your remedy choice and when you need to make it.

Your current benefits will remain in payment until you make your choice and will only change if you choose alternative benefits or if you do not return the Remedy Election Form.

If this happens, your pension benefits will be recalculated. Any underpayments will be paid to you and any overpayments will need to be repaid by you.

If you are choosing alternative benefits, please complete the additional boxes below the Remedy Election Form indicating the benefits you wish to receive. We will write to you confirming any changes to your pension in payment.

If you do nothing

If you fail to make a choice in time, or at all, the default position will be legacy scheme pension benefits will be due for the remedy period; if this happens it is final and cannot be reversed (see Frequently Asked Questions (FAQ)).

Please DO NOT take this to mean that legacy benefits are more or less beneficial to you but refer to the enclosed RSS which outlines your remedy choices in full.

Please respond to this letter by completing the Remedy Election Form and returning it to us within 12 months from the date of this letter.

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#### Further Information

The FAQs provide some additional information

Please notify us at your earliest convenience, quoting your reference number as shown at the beginning of the letter if you think that the information included in this letter is incorrect or if you have questions about its content

Yours sincerely

Armed Forces Pension Scheme

#### If you do nothing

This section explains what happens if you fail to respond to the letter.

Important Note: for an immediate choice member, legacy benefits may not be the benefits you currently receive.

#### **Further Information**

This section draws your attention to the frequently asked questions that are included with the statement and what to do if you have any queries.

### Part 1 - The Overview

Included with your letter is an Overview.

**Important**: This is not your RSS. You should not decide your option based on the information in this overview alone.

The overview only provides a snapshot of what is currently payable and what is payable from State Pension Age under each option.

It also includes a summary of the total under or overpayment that may be due if you elect for alternative benefits. This is the total after 'netting off' and the application of interest. Netting off is the practice of adding together a series of figures to achieve one final figure/net amount.

The overview does not include details of any commutation options.

The amounts shown in the overview are broken down in the RSS, and as such, you should review them in detail before making your decision.

#### Overview

#### IMPORTANT! This overview does not contain the full details you need to make your choice. The full detail, which you must read and understand, is in the Remediable Service Statement

This is an overview of benefits that are currently in payment and benefits to which you are entitled from State Pension Age (SPA). This does not represent all your pension benefit payment points from now until SPA.

Please note that the pension benefit information below includes any early departure payments if applicable. Actual values will differ depending on when you make your choice and will be affected by; decisions regarding commutation, future payments, pension revisions and pension increases or any other revision to your benefits prior to making your choice.

Please refer to the FAQ titled "What is meant by "Legacy" and "AFPS15" benefits?" for further information on what benefits are included.

The figures provided in the boxes below are a comparative summary of your benefits. They show what you would be entitled to if you opted for legacy pension benefits or AFPS 15 pension benefits. Further detail is in the RSS which you must read in full before making your choice.

Current Pension Benefits			
Pension Benefits on leaving service	Lump Sum on leaving service	Revised Pension from SPA	
£14,366.41	£80,660.10	£21,911.32	

Alternative Pension Benefits				
Pension Benefits on leaving service		Revised Pension from SPA		
£15,166.25	£86,529.00	£18,436.73		

#### The difference if you selectAlternative Pension Benefits: Under/Overpayment & Interest

The following values are based on the calculation date of 30 December 2023, they will change by a small amount depending on when you make your choice.

Amount of underpayment (including	£8,153.62
interest) owed to you	

Please note that the amounts shown are indicative values based on the date of calculation. Actual values will differ depending on when you make your choice and will be affected by; future payments, pension revisions, pension increases, or any other revision to your benefits in payment prior to processing your choice.

## Part 1 - The RSS

The RSS has two sections:

- 'Current Pension Benefits' outlines the benefits you are receiving now, and these could be legacy or AFPS 15 benefits for the remedy period, depending on if you were previously a protected or unprotected member.

Remediable Service St	atement	
Current Pension Benefits		
Pension paid on discharge	Amount	Comments
EDP Income (AFPS05)	£13,032.66	Paid monthly in arrears on discharge
EDP Income (AFPS15)	£3,220.38	Paid monthly in arrears on discharge
Lump Sum on discharge	Amount	Comments
EDP Lump Sum (AFPS05)	£57.216.26	Paid immediately on discharge
EDP Lump Sum (AFPS15)	£16,714.80	Paid immediately on discharge
Pension paid at age 65	Amount	Comments
Deferred Pension (AFPS05)	£19.072.09	Paid monthly in arrears at age 65
	210,012.00	r and montainly in anouno at ago oo
Lump Sum at age 65	Amount	Comments
Deferred Lump Sum (AFPS05)	£57,216.26	Paid at age 65
Pension paid at SPA	Amount	Comments
Deferred Pension (AFPS15)	£7,428.80	Paid monthly in arrears at SPA
AFPS15 - Commutation		
Reduced AFPS15 pension as a result of commutation	£4,775.66	Paid monthly in arrears at SPA if commutation option taken
Lump Sum at SPA	£31,837.71	Paid at SPA if commutation option taken
•		· · ·
Total annual income	Amount	Comments
Payable on discharge	£16,253.04	This is your: AFPS05 and AFPS15 EDP benefits
Payable from age 55	£17,524.45	This is your: AFPS05 and AFPS15 EDP benefits
Payable from age 65	£22,292.47	This is your: AFPS05 pension and AFPS15 EDP benefits
Payable from SPA	£26,500.89	This is your: AFPS05 and AFPS15 pension benefits

This does not include any commutation options you may make as part of your choice.

-'Alternative Pension Benefits' outlines your other option, and these could be legacy or AFPS 15 benefits for the remedy period depending on if you were previously a protected or unprotected member.

Alternative Pension Benefits				
Pension paid on discharge	Amount	Comments		
EDP Income (AFPS05)	£16,414.00	Paid monthly in arrears on discharge		
Lump Sum on discharge	Amount	Comments		
EDP Lump Sum (AFPS05)	£72,061.06	Paid immediately on discharge		
Pension paid at age 65	Amount	Comments		
Deferred Pension (AFPS05)	£24,020.35	Paid monthly in arrears at age 65		
Lump Sum at age 65	Amount	Comments		
Deferred Lump Sum (AFPS05)	£72,061.06	Paid at age 65		
Total annual income	Amount	Comments		
Pavable on discharge	£16,414.00	This is your:		

Total annual income	Amount	Comments
Payable on discharge	£16,414.00	This is your: AFPS05 EDP benefits
Payable from age 55	£18,015.26	This is your: AFPS05 EDP benefits
Payable from age 65	£24,020.35	This is your: AFPS05 pension benefits
Payable from SPA	£24,020.35	This is your: AFPS05 pension benefits

This does not include any commutation options you may make as part of your choice.

### Part 1 - The RSS continued

Each section is broken down into a series of tables with their own heading, providing the values for that particular benefit under each option. In Part 2 of this guide each of these sections is explained, using representative tables identified by the same heading as that found in the RSS. When assessing your options and making comparisons, ensure you are comparing corresponding tables in the current and alternative benefit sections.

The remedy period applies to pensionable service between 1 April 2015 and 31 March 2022. All service from 1 April 2022 is only in the AFPS 15 scheme.

Your RSS, however, shows the **total pension benefits** you would receive under each option. You should note that if you left the service before 1 April 2022, the option which represents your legacy benefits will not include any AFPS 15 benefits.

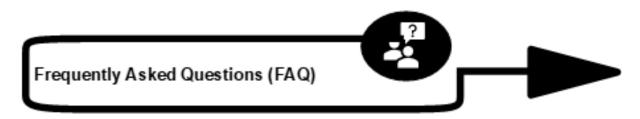
It is recommended you have a calculator or something to write notes/values down. Sources of further information are available at the end of this guide, and you may also wish to seek advice from an independent source.

**Important:** Take the time to review the RSS. You have plenty of time to assess your options, you will only get one choice and it is final.

### Part 1 - The FAQs

The final section of the RSS contains a series of FAQs that provide additional information you may find helpful.

If you do have further questions, use the contact information in the RSS or the resources identified at Part 7 to assist you.



These questions are designed to inform you of certain aspects of remedy related to the detail in this statement, not all of them will apply to your particular circumstances. What is a Remediable Service Statement (RSS)?

The RSS is your personal statement showing you a comparison of pension benefits payable from each pension scheme and any implications of choosing one over the other. It is intended to help you make your choice.

How do I make a choice?

You must confirm your election on the Remedy Election Form included with this letter, which should be returned to: Armed Forces Pension Scheme Mail Point 380 Kentigern House 65 Brown Street Glasgow G2 8EX



Part Two - The RSS

# Part 2 - The RSS: Pension in Payment

<b>Current Pension</b>		
Benefits		
Pension Paid on	Amount	Comments
Discharge		
Service Pension	£13,622.10	Value without Resettlement
(AFPS 75)		Commutation
EDP Income	£2,959.25	Paid monthly in arrears on discharge
(AFPS15)		

Alternative Pension Benefits		
Pension Paid on	Amount	Comments
Discharge		
Service Pension	£18,436.73	Value without Resettlement
AFPS 75		Commutation

#### What is Shown:

These tables show the amount of income currently being received and what would be payable immediately under alternate benefits.

This is broken down by payment values from the differing schemes, and these could be the immediate AFPS 75/05 pension or EDP payments from 05/15.

These tables are titled "Current Pension Benefits and "Alternative Pension Benefits". This example shows for 'current benefits' an immediate pension from AFPS 75 and an Early Departure Payment (EDP) from AFPS 15 but for 'alternative benefits' only an AFPS 75 pension. This is because if you left service before 1 Apr 22, an entitlement under the AFPS15/EDP15 scheme would not exist under the option for legacy benefits.

### Points to Note:

Add the figures together to establish the total income available.

### **Further Knowledge**

To find out more detail about when the different schemes pay out and what you can expect from each scheme, you should read the scheme explained booklets.

## Part 2 - The RSS: Lump Sums

Current Pension Benefits		
Lump Sum on	Amount	Comments
Discharge		
Terminal Grant (AFPS75)	£40,866.31	Paid immediately on discharge
EDP Lump Sum (AFPS15)	£18,650.75	Paid immediately on discharge

Alternative Pension Benefits		
Lump Sum on	Amount	Comments
Discharge		
Terminal Grant	£55,310.19	Paid immediately on discharge
(AFPS75)		

#### What is Shown:

These tables show the lump sums that were paid on leaving the service or what would be payable under the alternate option.

As with income, this is broken down by values from the differing schemes, this could be the immediate AFPS 75/05 pension or EDP payments from 05/15.

These tables are titled "Current Pension Benefits and "Alternative Pension Benefits". For 'current benefits', this example shows an automatic pension lump sum from AFPS 75 and an Early Departure Payment (EDP) lump sum from AFPS 15, but for 'alternative benefits', only an AFPS 75 lump sum is shown. This is because if you left service before 1 Apr 22, an entitlement under the AFPS15/EDP15 scheme would not exist under the option for legacy benefits.

#### Points to Note:

Where amounts from separate schemes are shown you can add the amounts together to assess the total lump sum.

# Part 2 - The RSS: Pension at Deferred Pension Age

Pension Paid at age 65	Amount	Comments
Deferred Pension	£19,072.09	Paid monthly in arrears at age 65
(AFPS 05)		

Lump Sum at age 65	Amount	Comments
Deferred Lump Sum	£57,216.26	Paid monthly in arrears at age 65
(AFPS 05)		

Pension Paid at SPA	Amount	Comments
Deferred Pension	£7,428.80	Paid monthly in arrears at SPA
(AFPS 15)		

What is Shown:

The next series of tables shown in your RSS will be based on your scheme membership as deferred pensions are paid at different ages. They will look similar to the examples opposite and will either show the amount of an AFPS 05 pension/lump sum payable at age 65 and/or the AFPS 15 pension payable at State Pension Age (SPA). Any amount shown for the AFPS 15 pension is without the reductions that would apply if commutation is taken (see <u>Page 1</u>5 of this guide).

These tables are titled "Pension paid at age 65" (AFPS 05 only), "Lump Sum at age 65" (AFPS 05 only) or "Pension paid at SPA" (AFPS 15). Note, if in receipt of an AFPS 75 pension this was paid as an immediate pension on leaving the service and no further payment is made. Additionally, if you left the service prior to 1 April 2022, you would only find AFPS 15 amounts recorded in either the current or alternative benefits section, depending on whether you were a protected member or not. If you had service beyond 1 Apr 22 you will see an AFPS 15 element in both options.

### Points to Note:

When claiming either the AFPS 05 or 15 pension at your deferred pension age you will not make another remedy choice because the choice you make now will determine how your future benefits are calculated. The figures shown in your RSS are at today's values and do not account for any future pension increases resulting from indexation.

The AFPS 15 pension amount shown in this section is the full amount without commutation.

# Part 2 - The RSS: AFPS 15 Commutation

Commutation means trading between pension and lump sum to generate or increase the value of one by reducing the value of the other. How this works varies depending on the scheme.

AFPS 15 Commutation		
Reduced AFPS 15	£4,775,66	Paid monthly in arrears at
Pension as a result of		SPA if commutation option
commutation		taken
Optional Lump Sum –	£31,837.71	Paid at SPA if commutation
Maximum		option taken
Commutation		

#### What is Shown:

Where an AFPS 15 pension is available, the RSS will show the maximum commutation option that you can take under that scheme. The box, "Reduced AFPS 15 Pension as a result of commutation" is the amount the AFPS 15 pension reduces to if you choose maximum commutation. This is a lifetime reduction. The amount, "Optional Lump Sum – Maximum Commutation" is the tax free lump sum that could be generated by commuting.

#### Points to Note:

AFPS 15 does not provide an automatic lump sum, but one can be generated through commutation. The maximum you can commute is 25% of the overall value of your pension pot, and that is the information provided, you can however, generate any value lump sum up to this maximum value. Unless claiming an immediate AFPS 15 pension, you do not need to decide whether you wish to commute your AFPS 15 pension until you claim it, but the amounts available to commute are determined by your election. Note the figures you are provided with will be in today's money.

To assess the potential total income and lump sum from the AFPS at SPA if you commute your AFPS 15 pension then you should add the relevant amounts from this table in your RSS to the AFPS 75/05 pension amount that you are in receipt of. Note, this pension will still attract annual indexation increases.

## Part 2 - The RSS: Resettlement Commutation

<b>Current Pension Benefits</b>		
<b>Resettlement Commutation</b>		
<b>Resettlement Commutation</b>	£21,143.04	Paid immediately on discharge
Lump Sum		
Reduced AFPS 75 Pension	£11,407.16	Paid monthly in arrears on
		discharge

<b>Alternative Pension Benefits</b>		
<b>Resettlement Commutation</b>		
<b>Resettlement Commutation</b>	£31, 218.81	Paid immediately on discharge
Lump Sum		
Reduced AFPS 75 Pension	£15,166.25	Paid monthly in arrears on
		discharge

### What is Shown:

"Resettlement Commutation" is only available under the AFPS 75 scheme. To claim it you had to be entitled to an immediate AFPS 75 pension and under the age of 55 when you left the service. You will only find information about Resettlement Commutation in your RSS if you exercised an option to take it when you originally left the service and are still under the age of 55.

Under 'current pension benefits' you will be shown the original Resettlement Commutation award, under 'alternative pension benefits' you will be provided with details of how that would change if you took that option.

### Points to Note:

If you took Resettlement Commutation, your AFPS 75 pension is restored to its original value at age 55 (this is the figure shown in the first set of boxes in your RSS). Though note that at age 55 your pension is also increased by CPI.

Your remedy choice does not extend to reversing your original decision to commute, nor does it permit you to take the option now if you did not previously choose to do so. More information on commutation is available in the Remedy Explained booklet – details of which are in the further information section.

## Part 2 - The RSS EDP 15: Inverse Commutation

Early Departure Payment	(EDP) 15 – Inverse	Commutation
EDP 15 Income due to	£2500	Paid immediately on
commutation		discharge. Please be aware,
		if you choose to inversely
		commute your EDP 15
		income you agree to give up
		your full AFPS 15 EDP Lump
		Sum

#### What is Shown:

"Early Departure Payment EDP (15) Inverse Commutation" will show the amount the EDP 15 income can be increased to if you give up your EDP lump sum. The amount shown is the **total** revised EDP 15 Income, **not** an additional amount. This option will only be available to those who have not been in receipt of an EDP 15 previously, and the amount available will be dependent upon the EDP 15 award.

#### Points to Note:

Inverse commutation means converting all the EDP 15 lump sum to income. This must be done when first claiming EDP 15, therefore you will only see this option on the RSS if you were a protected member and left the service post 1 Apr 22, i.e. you have never previously received an AFPS 15 benefit, or you took inverse commutation when you originally left the service.

# Part 2 - The RSS: Total Annual Income

Current Pension		
Benefits Total Annual Income	Amount	Comments
Payable on Discharge	£16,253.04	This is your:
		AFPS05 and AFPS15 EDP Benefits
Payable from age 55	£17,524.45	This is your:
		AFPS05 and AFPS15 EDP Benefits
Payable from age 65	£22,292.47	This is your:
		AFPS05 Pension and AFPS15 EDP Benefit
Payable from SPA	£26,500.89	This is your:
		AFPS05 and AFPS15 Pension Benefits
Alternative Pension		
Benefits		
Total Annual Income	Amount	Comments
Payable on Discharge	£16,414.00	This is your:
		AFPS05 EDP Benefits

I ayabic on Discharge	110,414.00	11113 13 your.
		AFPS05 EDP Benefits
Payable from age 55	£18,015.26	This is your:
		AFPS05 EDP Benefits
Payable from age 65	£24,020.35	This is your:
		AFPS05 Pension Benefit
Payable from SPA	£24,020,35	This is your:

**AFPS05** Pension Benefit

What is Shown:

"Total Annual Income" shows what is payable and when. This will vary depending on what scheme you have benefits in; how the figure is derived is shown on the RSS like in this example.

The first amount, "Payable on Discharge" will be the combined total of your Pension/EDP benefits payable at that point.

The second amount, "Payable from age 55" will only be shown for those in receipt of EDP 05 and reflects the percentage increase (not inflationary) of the AFPS 05 EDP. If you have an AFPS 75 pension and took Resettlement Commutation, your pension will be restored at this point to the amount shown in the 1<sup>st</sup> table on your RSS.

The third amount, "Payable from age 65", will only be for those with an AFPS 05 pension, this will show the AFPS 05 pension benefit and, if applicable, the AFPS 15 EDP.

The final amount, 'Payable from SPA' will include any AFPS 15 pension that may be payable, if not it will just reflect the AFPS 75/05 pension benefit.

### Points to Note:

If you decide to take a AFPS 15 commutation option, the values provided here would alter and you would need to check the figures in the AFPS 15 commutation section.

## Part 2 - The RSS: Total Lump Sums Payable

Current Pension Benefits		
Total Lump Sums Payable	Amount	Comments
Lump Sum at Discharge	£73,931.06	AFPS 05 EDP Lump Sum
		AFPS 15 EDP Lump Sum
Lump Sum at age 65	£57,216.26	AFPS 05 Lump Sum

Alternative Pension Benefits		
Total Lump Sums	Amount	Comments
Payable		
Lump Sum at Discharge	£72,061.06	AFPS 05 EDP Lump Sum
Lump Sum at age 65	£72,061.06	AFPS 05 Deferred Lump Sum

### What is Shown:

"Total Lump Sums Payable" identifies only the automatic lump sums that are payable and when they are payable, without taking any commutation options.

#### Points to Note:

This example shows an AFPS 05 member. If you have an AFPS 75 pension you will only see a Lump sum amount for payment at discharge, as this is the only time an automatic lump is payable. This could just be from the 75 scheme (including any Resettlement Commutation that has been taken) or a combination of 75 scheme and AFPS 15 EDP.

To generate a lump sum from the AFPS 15 scheme you must commute (see page xx of this guide).

In exercising a choice consider your total pension package, i.e. what is currently being paid to you, what could be payable to you and what income/lump sum you may be able to generate in the future. This is also important if you have re-joined the Armed Forces and are continuing to accrue AFPS 15 pension benefits.

# Part 2 - The RSS: Lifetime Allowance (LTA)

<b>Current Pension Benefits</b>	
LTA limit for financial year	£1,073,100.00
Value of your benefit against LTA	£269,009.51
% of LTA used	25.06%

Alternative Pension Benefits	
LTA limit for financial year	£1,073,100.00
Value of your benefit against LTA	£358,635.19
% of LTA used	33.42%

### What is Shown:

The table will show you the total value of your pension (sometimes called 'pension pot') compared to the Lifetime Allowance (LTA).

#### Points to Note:

The totals provided to you at this section will reflect the cumulative totals under each option for any immediately payable pension (not EDP). They also do not include any protections you may have in place.

It should be noted that pensions are only tested against an LTA limit when they become payable.

The FAQ section of the RSS contains further details on the LTA and information can also be found in the <u>MOD Pension Tax Booklet</u>.

Further guidance on LTA and the 2015 Pension Remedy will be issued later in 2024, and you will be advised if you need to take any action in respect of your LTA.

# Part 2 - The RSS: Dependant Benefits

Current Pension Benefits		
<b>Dependant Benefits</b>		
Adult Dependant	£11,991.81	Paid in the event of your death
Pension		
Child Dependant	£4,959.75	Paid in the event of your death
Pension (per child)		

Alternative Pension Benefits		
Dependant Benefits		
Adult Dependant	£9,218.36	Paid in the event of your death
Pension		
Child Dependant	£4, 609.18	Paid in the event of your death
Pension (per child)		

### What is Shown:

The Dependant Benefits table shows what could be payable to your dependants under each option, if you should die. The figures in your RSS will show examples for a surviving spouse and two children. It is not possible to tailor this section as potential beneficiaries of any service pension are not known until a claim is made.

#### Points to Note:

There are detailed FAQs in the RSS on death benefit information and further details are available in the scheme explained booklets. When you make a remedy choice it is final, so whichever option you choose will be how dependent benefits are calculated should you die.

You may wish to factor this into your decision-making process, noting that the benefits payable differ between schemes. It may also be a good time to make sure any nomination/details held by DBS are up to date.

These figures do not include any lump sums that may also be payable.



Part Three - The RSS: Under/Over Payments

# Part 3 - The RSS: Under or Over Payments

If you elect for alternative benefits this will change what is currently being paid to you. As any adjustments are applied retrospectively this will likely result in the scheme owing you money or you owing the scheme money. Where this occurs interest will also be applicable.

Where an election results in over and under payments, these are 'netted off' to produce a single final figure. Netting off is the practice of adding together a series of figures to achieve one final figure/net amount. This is what you will be shown in your RSS, and it will also be broken down by lump sum, pension arrears and interest.

Any under or overpayment is taxable in line with your original award, i.e. if it relates to the lump sum it is tax free, and if it relates to income then it is taxable.

In the case of over payments, i.e. you owe money to the scheme, you can request a schedule of payments from DBS to allow you to claim back any overpaid tax on income direct from HMRC.

The Frequently Asked Question section in the RSS explains how interest is applied.

You should note that the figures provided in the RSS are based on the day the RSS was produced, these amounts will be recalculated to reflect the date your election is made.

### **Further Knowledge**

Further information on interest related to over and under payments is in the frequently asked questions section of the RSS and the remedy explained booklet.

#### The difference if you select Alternative Pension Benefits: Over / Underpayments & Interest

The following overpayment / underpayment values and interest were calculated on **INSERT DATE**. Please note that these are indicative values based on the date of calculation. Actual values will differ at the point your choice is made and will be impacted by; future payments, pension revisions, pension increases, or any other revision to your benefits in payment prior to processing your choice.

#### Some elements of pension benefits are tax free. Please refer to the FAQs for further information.

Additional Lump Sum (owed to you)	£5,868.90	
Pension arrears (owed to you)	£1,439.71	
Interest (owed to you)	£845.01	

Amount of underpayment owed to you (before any deduction to reflect income tax)	£8,153.62	Figure is subject to change depending on when choice is <u>made</u>
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# Part 3 - The RSS: Underpayments/Overpayments

Additional Lump Sum	£5,868.90	
(owed to you)		
Pension Arrears (owed to	£1,439.71	
you)		
Interest (owed to you)	£845.01	
Amount of	£8,153.62	Figure is subject to change
underpayment owed to		depending on when choice is made
you (before any		
deduction to reflect		
income tax)		

Pension arrears (owed to	£325.01	
you)		
Overpaid lump sum	£1,439.71	
(owed by you)		
Interest (owed by you)	£845.01	
Amount of overpayment	£1,756.04	Figure is subject to change
owed by you (before any		depending on when choice is made
deduction to reflect		
income tax)		

### What is Shown:

The table will show the breakdown of lump sum, pension and interest and whether it is owed to you or owed by you. It will summarise with a final figure, indicating whether this is owed to you or by you.

For illustrative purposes, the examples on this slide show how the information will be presented for both an under and over payment (including variations between income and lump sum). You will only see one table set in your RSS.

### Points to Note:

The figures are based on the day the RSS is produced; they will alter depending on when the election is made.

While the value of any under or overpayment may influence your decision, you should take into account all factors, including what may be payable to you in the future.

You should take financial advice if unsure.



Part Four - How to make an Election

# Part 4 - How to Make an Election

#### Payment of Pension Benefits

Included with your RSS will be an election form.

You should complete the personal details and then indicate your election choice.

If applicable, it will also ask you for any commutation options you wish to apply for any revised benefits.

You must send this form to the address indicated.

On receipt your benefits will, if necessary, be recalculated and put into payment. You will be sent a revised pension award letter indicating you have made a remedy choice.

If you have an AFPS 05 or AFPS 15 deferred pension you will need to claim this at the appropriate time using a Pension Form 8, but you will not be required to make another remedy election. After considering your options outlined in your Remediable Service Statement (RSS) please indicate with an [X] which option you would like to proceed with.

I wish to retain current pension scheme benefits This means I will continue to receive my current Armed Forces Pension benefits for the Remedy period (1 April 2015 to 31 March 2022).

Signature



Date		

I wish to receive alternative scheme benefits and understand that my benefits will change and may incur under or overpayments. This means I will receive alternative scheme benefits for the Remedy period (1 April 2015 to 31 March 2022).

Signature





### Part Five - Further Information

## **Part 5 - Further Information**

Information about pension remedy and booklets and other literature on the pension schemes can be found at the Armed Forces Pension Scheme pages on the gov.uk website:

#### https://www.gov.uk/guidance/pensions-and-compensation-for-veterans

If you want to make a formal claim for an unresolved issue linked to the original discrimination, please see the compensation and contingent decision paragraphs in the remedy explained booklet, at this link: <u>https://assets.publishing.service.gov.uk/media/6564a77b62180b000dce823d/Your\_2015\_Pension\_Remedy\_Explained\_booklet.pdf</u>.

If you have queries about your RSS or other questions about your Armed Forces Pension you can contact the JPAC but note they cannot advise you on what decision to make.

Armed Forces Pensions enquiries Joint Personnel Administration Centre (JPAC) Mail Point 380 Kentigern House 65 Brown Street Glasgow G2 8EX

Phone: 0800 085 3600 Phone (from overseas): 0044 141 224 3600 Phone (military): 94560 3600

General Pensions Query Email <u>dbs-pensionshelp@dbspv.mod.uk</u> Remedy Pensions Query Email <u>DBSMPV-SSCL-REMEDY-ENQUIRIES@dbspv.mod.uk</u>

If you wish to check your state pension age you can visit this site: <u>https://www.gov.uk/state-pension-age</u>