



Ministry
of Defence

Your 2015 Pension Remedy, Explained

November 2024



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of Defence

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Introduction

This booklet will tell you everything you need to know about the [2015 Pension Remedy](#), previously known as McCloud. The information provided only applies to those in-scope for the remedy (see page 6 for more information on eligibility).

This booklet has been designed to be as easy to read as possible, but in certain areas it is difficult to avoid using technical terms. Please see the 'Key Terms' section on Page 5 and the Glossary at Chapter 20.

This booklet is for information purposes only and cannot cover every personal circumstance. Nothing in this booklet overrides Scheme regulations. Every effort has been made to make the contents as accurate as possible, but in the event of any difference, the regulations will apply.

Further detail on the individual schemes and other aspects of the 2015 Pension Remedy can be found in [Chapter 19 'Further Information'](#).

Background

When public service pension schemes were reformed in 2015, members who were within ten years of normal retirement age were given 'transitional protection' which allowed them to remain in their existing schemes (legacy schemes). All other serving personnel were transferred into the Armed Forces Pension Scheme (AFPS) 2015.

In 2018, members of the Firefighters' and Judges' pension schemes won a claim and a subsequent appeal that the transitional protection arrangement was discriminatory on the grounds of age. In July 2019, the Government confirmed that the discrimination applied across the public sector and that steps would be taken to correct this, leading to the 2015 Pension Remedy.

The 2015 Pension Remedy is delivered in two stages: the prospective remedy and the retrospective remedy. The prospective remedy brought the discrimination to an end by closing all legacy schemes to further accrual on 31 March 2022 and moving all serving personnel to AFPS 15 on 1 April 2022. It is important to note that the benefits built up in legacy schemes are protected and remain part of members' pension benefits when they retire. For more information on the AFPS 15 scheme, please read the [AFPS 15 'Your Pension Scheme Explained'](#).

The final stage of the 2015 Pension Remedy is the retrospective remedy. This addresses past discrimination and took effect from 1 October 2023. Please read [Chapter 2 'Retrospective Remedy: What to expect'](#) for the detail.

Key Terms

Some of the key terms used in this booklet are explained below. Please also refer to [Chapter 20 'Glossary'](#) for an extended list.

Accrued	Pension benefits that have been built up to a particular date.
Active Member	A member who is currently serving in the Armed Forces and is accruing benefits under a pension scheme.
Armed Forces Pension Scheme 2015 (AFPS 15)	AFPS 15 is the only pension scheme available to Regular and Reserve forces personnel who joined the Armed Forces from 1 April 2015, and those who were already in service on that date but did not qualify for (unlawful) transitional protection. This is also called the 'reformed' scheme.
Deferred Choice	An election made by active members, deferred members and representatives of deceased members at the point when pension benefits, including Early Departure Payments, are due to come into payment.
Deferred Member	A member of the AFPS who has left the Armed Forces and has a pension that is not yet in payment.
Election	The 'choice' you will make of either legacy or AFPS 15 style benefits for the remedy period.
Immediate Choice	This means the election made by members or representatives of deceased members who had benefits in payment before 1 October 2023.
Imminent leaver	A member leaving during the implementation period up to Apr 25. <i>This term relates to the implementation period only.</i>
Legacy schemes	Armed Forces Pension Schemes that were closed to new members on 1 April 2015; these are AFPS 75, AFPS 05, EDP 05, FTRS 97, RFPS 05 and NRPS 11.
Pensioner Member	Someone who is receiving pension benefits from their Scheme/s.
Public Service Pension Scheme	The pension schemes that come under the 'public sector' are: (a) civil servants; (b) the judiciary; (c) local government workers for England, Wales and Scotland; (d) teachers for England, Wales and Scotland; (e) health service workers for England, Wales and Scotland; (f) fire and rescue workers for England, Wales and Scotland; (g) members of police forces for England, Wales and Scotland; (h) the armed forces.



<p>Remediable Service Statement (RSS)</p>	<p>This is a statement that provides you with an overview of the legacy and AFPS 15 style benefits you accrued during the remedy period. This will help you make your election. If you have opted-out of the AFPS and are eligible for the 2015 Pension Remedy, you will also receive a Reinstatement-RSS (R-RSS). Please read Chapter 13 'Opted-Out Service' for more information.</p>
<p>Remedy Period</p>	<p>The period from 1 April 2015 to 31 March 2022, when the discrimination occurred.</p>
<p>Roll back</p>	<p>The process where in-scope members were returned to their legacy pension scheme(s) for the remedy period (1 April 2015 – 31 March 2022), on 1 October 2023.</p>

Table 1: Key terms for members relating to the 2015 Pension Remedy.

Retrospective Remedy: What to expect

Eligibility

The MOD implemented the retrospective remedy on 1 October 2023. Eligibility is defined in the Public Sector Pension and Judicial Offices Act 2022 (“The Act”). Please see the diagram below to check if you are eligible for the 2015 Pension Remedy:

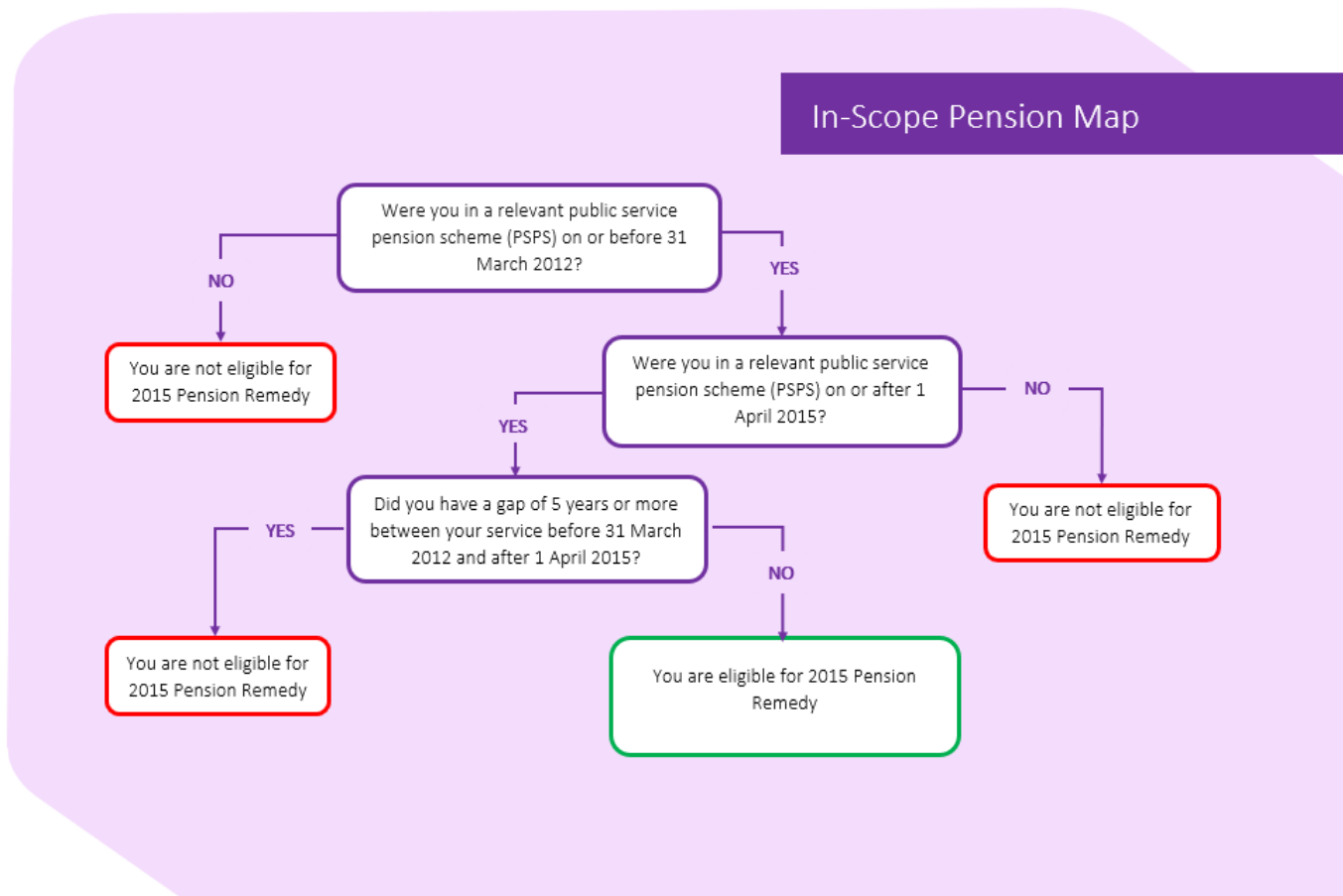


Figure 1: Eligibility flow chart.

IMPORTANT

- Members with a benefit already in payment: Changes will only be made to pensions in payment when you make an election for alternate scheme benefits or if the election period ends and you receive legacy benefits as the default option.
- Some members will not need to take any action until they are near their retirement date, or until the date they claim their pension or Early Departure Payment (EDP).

1. Retrospective Remedy Process

How the 2015 Pension Remedy works will depend on which cohort you belong to:

- i. **Imminent leavers:** You should be sent an RSS and asked to make an election before your termination date. If you have not received your RSS three months before your termination date you will receive one in the post or by email, in line with the choice you will have made on Pen Form 1. If you leave without making an election you will receive legacy benefits until you have received your RSS and made an election. It is important that you **keep your address details up to date** on JPA. Please contact the JPAC if you have any concerns about your RSS.
- ii. **Active and Deferred members:** If you moved to AFPS 15 on 1 April 2015, you were automatically rolled back to your relevant legacy scheme(s) for the remedy period. Any pension benefits you have built up before 1 April 2015 and after 1 April 2022 are not affected by the 2015 Pension Remedy.
- iii. **Pensioner members and EDP members:** Due to technical challenges we are not able to guarantee all members will receive their RSS by 01 April 2025 as originally planned. We now plan for all members to have received their RSS by 30 September 2025. The RSS explains what you need to do. Changes will only be made to your pension benefits in payment if you make an election for alternate scheme benefits or if your election period ends and you have not made an election. If you don't make an election you will receive legacy benefits as the default option.
- iv. **Added Pension members:** All AFPS 15 Added Pension purchased in the remedy period by a member eligible for the remedy is revoked and a compensation payment made. DBS has written to members affected. Further information can be found in the [Member Voluntary Contributions Factsheet](#).
- v. **Deceased members:** Current benefits will remain in payment until the Eligible Decision Maker (EDM) makes an election or the election period ends and you receive legacy benefits by default. Please read [Chapter 6 'Death and Dependants' Bx enefits'](#) for more information about the EDM.
- vi. **Opted-out members:** You will receive correspondence from the scheme administrator to allow you to apply to opt back in for the remedy period. Please read [Chapter 13 'Opted Out Service'](#) for more information about the process.

2. Remediable Service Statement (RSS)

The purpose of the RSS is to outline the value of your legacy and AFPS 15 style benefits that were accrued during the remedy period; the calculations in your RSS are unique to your circumstances. The point at which you make an election will be different depending on the cohort you belong to (see Paragraph 3 on the next page).

All members should receive an RSS by 30 September 2025. Technical challenges associated with the scale and complexity of the RSS requirement mean that we are not able to meet our original date of 1 April 2025 for all members. Some cohorts such as pensioner members, imminent leavers and representatives of deceased members will be prioritised. This is because their pension was already in payment either on or shortly

after 1 October 2023. Any additional factors that apply to your circumstances, e.g. divorce, multiple periods of service etc, may increase the time taken to issue your RSS.

After the first RSS is issued, active members will receive one RSS per year. Deferred members may request one annual RSS for free by contacting DBS. Contact details can be found in [Chapter 19 'Further Information'](#).

3. Immediate Choice

If you are receiving benefits or are the representative of a deceased member who had a pension in payment, you will be offered an **immediate choice**. This means you will have 12 months from the date of issue of your RSS to submit your election. In the meantime, you will continue to receive your current benefits. Changes will only be made to your pension benefits in payment when you make an election for alternate scheme benefits or if you do not make an election before the election period ends and you receive legacy benefits as the default option. Once you have made your election, this cannot be reversed.

Deferred Choice

If you were not in receipt of a pension or EDP before 1 October 2023, or you are the representative of a deceased member who died after 1 October 2023 and did not have a pension in payment, you will have a **deferred choice** and asked to make your election at the point benefits are due to come into payment. You have 6 months from the date of issue of your RSS to submit your election.

The timeline for choosing benefits depends on which cohort you belong to:

- **Imminent leavers:** once you receive your RSS, you will have 6 months to make your election. If you do not (or are unable to) make an election prior to your final date in service, legacy benefits will be paid until you make an election or the end of the election period. If you have a pension in payment when you make your election, benefits will be adjusted accordingly.

Active members: if you are entitled to immediate benefits or an EDP on discharge, you should be sent an RSS on JPA 9 months before you are due to leave service. You will then have 6 months to make your election as the scheme administrator will need to know your decision no later than 3 months before your benefits become payable. If DBS have not issued an RSS on JPA three months before your termination date, you will be sent one by post or email. Please keep your address updated on JPA.

- **Deferred members:** you will be contacted approximately 12 months before your deferred pension is due to come into payment, to confirm your address before the RSS is sent. The RSS will then be sent 9 months before your benefits are due to come into payment. You will have 6 months to make your election from the date of issue of the RSS.
- **Discharged at 'short notice':** You will have 6 months to make your deferred choice election. If you do not make an election prior to your final date in service, or are unable to do so, legacy benefits will be paid until your

election or the end of the election period, whichever is sooner. If you have a pension in payment when you make your election, if necessary, any benefits will be adjusted.

- o **Medical discharge:** You will be sent an RSS and still have 6 months to make your election, however, you may not receive this until close to your final date. If you do not make an election prior to your final date in service, or are unable to, legacy benefits will be paid until your election or the end of your election period, whichever is sooner.

Deferred choice members can change their election up to 1 month before benefits come into payment. If the member dies after making an election, but before their benefits are put into payment, the election will lapse. The responsibility for making the election will then pass to the eligible decision maker (further information is in [Chapter 6 'Death and Dependants' Benefits'](#)).

If you do not submit an election by the end of the election period, the default position is to pay legacy scheme benefits because this is your roll back position.

4. Making an Election

The process for making an election will differ depending on whether you are an active or deferred member.

If you are an active member, you will need to make your election using the Pension Form 1 when you have received your RSS (this must be submitted within 6 months of the RSS issue date). If you are unable to make your election prior to your termination date (e.g. you are an imminent leaver and did not receive your RSS in time), you must still complete a Pension Form 1 and select the appropriate box to ensure that benefits are paid, pending your election.

If you are a deferred member, you will need to claim your pension using Pension Form 8. This must be submitted within 6 months of the RSS issue date.

Links to the relevant pension forms can be found in [Chapter 19 'Further Information'](#).

Chapters

The MOD has amended policies and legislation to deliver the retrospective remedy. Chapters 3-17 provide further detail about these changes. Please see below:

3. [Interest](#): this chapter sets out the policy for applying interest to under or overpayments.
4. [Commutation](#): this chapter sets out the different types of commutation, which pension scheme offers this and how your election may affect commutation.
5. [Early Departure Payment \(EDP\)](#): this chapter sets out how the remedy may affect the payment of early departure benefits.
6. [Death and Dependants' Benefits](#): this chapter sets out eligibility, which benefits your dependants can receive, who can make an election, and how remedy will deliver payment.
7. [Re-joiners](#): this chapter sets out the policy around re-joiners and how remedy is applied to members who have re-joined the Armed Forces.
8. [Member Voluntary Contributions \(MVCs\)](#): this chapter sets out the different contributions members can make and how the remedy will manage MVCs.
9. [Divorce and Dissolution](#): this chapter sets out how remedy will be delivered to those who are (or will be) divorced, and who have (or will) dissolve a civil partnership.
10. [Early Payment of Pensions](#): this chapter sets out how the remedy is applied to those who have claimed (or wish to claim) an early payment of their deferred pension.
11. [Ill-health Retirement](#): this chapter sets out how the remedy will apply to those who have claimed (or are eligible to claim) ill-health benefits.
12. [Abatement](#): this chapter explains how the remedy will apply to abatement.
13. [Opted-Out Service](#): this chapter sets out how the remedy will be delivered for opted-out members, including eligibility and the process to opt back in.
14. [Redundancy](#): this chapter sets out how remedy interacts with the different redundancy schemes.
15. [Transfers](#): this chapter explains how remedy will be delivered for members who have (or will) transfer in or out of the Armed Forces Pension Scheme.
16. [Compensation](#): this chapter sets out how compensation is applied following roll back and how this can be claimed.
17. [Contingent Decisions](#): this chapter sets out the process and eligibility to submit contingent decision (compensation) claims.

Interest on underpayment or overpayment of benefits

If your election alters the value of your pension in payment, the MOD will pay or recover arrears as appropriate. You will receive or be charged interest on the underpayments or overpayments of benefits. There are three types of interest rates which may be used. The rate used depends on whether you owe the scheme money or the scheme owes you money. The rates are:

- **The Tax Rate:** for overpayments, the tax rate is 4.25% and applies to compensation payments. Underpaid tax is managed by HMRC.
- **The Judgement Rate:** this is currently at 8%. Broadly, this is the initial rate that will apply when pension benefits are owed to you.
- **The National Savings and Investment (NS&I) Direct Saver Rate:** These rates will apply to amounts that you owe to the scheme. The current and historic direct saver rates can be found on the NS&I website <https://www.nsandi.com/interest-rates>.

Where interest is applied, if you owe money to the scheme the interest rate will usually be lower than the rate used when the scheme owes you. Below are some examples of where interest will apply:

- **Member Voluntary Contributions:** if you have purchased AFPS 15 Added Pension during the remedy period you will receive a compensation payment. This is equivalent to a refund of your voluntary contribution, minus the amount which reflects the tax relief.
- **Differences in pension benefits in payment:** if you have received your pension benefits and then choose alternate scheme benefits for the remedy period, you may owe (or be owed) money.
- **Financial losses:** if you have experienced a direct financial loss due to the 2015 Pension Remedy, you may be owed money. This will attract interest from the date of financial loss until the date of payment.

How your interest is calculated

There are two ways in which your interest is calculated – **simple** or **compound** interest. Simple interest is calculated just on the original amount. Compound interest is calculated on the original amount plus accumulated interest, (this is interest on interest). The information station on page 12 provides you with clear examples:

Information Station

Simple interest example:

If you are owed £1000 at an 8% interest rate, and you were owed this amount 5 years ago, this is calculated using the simple interest formula:

$$\text{£1000} + (\text{£1000} \times 0.08 \times 5) = \text{£1400}$$

Final amount + (Final Amount x Interest Rate x Time)

Compound interest example:

If you have been overpaid a lump sum by £1000 which attracts a 2.3% interest rate, if this overpayment occurred 5 years ago, this is calculated as follows:

$$\text{£1000} \times (1 + 0.023 \div 365)^{(365 \times 5)} = \text{£1121.90}$$

Final Amount x (1 + Interest Rate ÷ number of times applied)^(number of times applied x time)

The table below shows which interest rate is applied and how interest is collected depending on your circumstances:

Circumstance	Interest Rate
You have been overpaid a lump sum	Compound interest is applied at the NS&I Direct Saver rate, which compounds daily from the date that the overpaid benefits were issued to you, until the date of repayment.
You are overpaid pension benefits	Compound interest is applied at the NS&I Direct Saver rate, which compounds daily from the mid-point (this falls halfway through the pension year) until the date of repayment. Please review the information station on Page 13 for more information.
You are underpaid pension benefits	<p>From the 1st up until the 28th day after the RSS is issued: simple interest is applied at the judgement rate, which is collected daily from the <u>mid-point</u> (this falls halfway through the period which begins from the date the benefits were first underpaid and ends with the date 28 days after an RSS is issued) until the date of repayment.</p> <p>For example: If you were underpaid pension benefits from 1 April 2015 to 1 April 2021 and you receive your RSS on 1 March 2024 interest would apply based on the midpoint between 1 April 2015 and 29 Mar 2024. i.e. 29 September 2019.</p>

	From the 29 th day: compound interest is applied at the NS&I rate, which compounds daily from the issue of RSS until the date of repayment.
You are underpaid a lump sum	From the 1 st up until 28 days after the initial lump sum was paid or when the RSS was issued, whichever is earlier: simple interest is applied at the judgement rate, which is accrued daily from the mid-point until the date of repayment. From the 29 th day: compound interest is applied at the NS&I rate, which increases daily from the issue of RSS until the date of repayment.
You have experienced a direct financial loss	Simple interest is applied at the judgement Rate from the date the financial loss occurred until the date of repayment.
Member Voluntary Contribution	simple interest is applied at the judgement rate from the mid-point (this falls halfway through the period which begins from the date the AP was first taken until the date of repayment.

Table 2: How interest is applied on benefits.

Information Station

Member X made an election which meant they needed to repay £1000 for every year since October 2015. The election and repayment date are both 1 April 2024. The recovery of this amount would be calculated using the NS&I rate with interest compounded daily. The calculation uses the midpoint between the over-payment start date and the date of repayment.

Midpoint (1 October)	Overpayment amount	Days between midpoint in relevant year and repayment date (1 April 2024) where interest is payable	Amount owed (using compound interest formula)
1 October 2015	£1000.00	3105.5 days (1/10/15 – 1/4/24)	£1216.14
1 October 2016	£1000.00	2740.5 days	£1188.49
...
1 April 2023	£1000.00	185.5 days	£1011.76
1 April 2024	-	0 days	-
Total overpaid	£9000.00	Total payable:	£10,000.88

Table 3: Scenario where Member X pays £1000 per year from October 2015.

Netting off

Where amounts are both owed to you **and** owed to the scheme, interest will be calculated separately on each amount. These will then be aggregated and netted off against each other so only one payment needs to be made in the majority of cases.

Other Amounts

If interest is payable in relation to amounts not outlined in this chapter, the scheme administrator will provide details explaining the rate and method of calculation.

If you wish to appeal a decision that applies to interest on any **other relevant amounts only**, you can write to the scheme administrator (contact details can be found in [Chapter 19 'Further Information'](#)) with any supporting evidence. The scheme administrator will then consider the determination and provide you with:

- an altered determination, or confirm that the original stands,
- an explanation of the decision, and
- a summary of dispute resolution arrangements that apply to the scheme.

Commutation

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

The Armed Forces Pension Schemes (AFPS) offer different types of commutation. Commutation allows you to ‘trade’ your pension benefits, either by increasing your monthly pension payment and reducing your lump sum, or by increasing your lump sum and reducing your monthly pension or EDP payment.

There are five main types of commutation options:

1. **Standard Commutation:** you can commute up to 25% of your monthly pension payment to increase your lump sum. For every £1 you give up, you will receive a lump sum of £12. This pension reduction is for life.
2. **Inverse Commutation:** you can give up some/all your pension lump sum or all of your EDP lump sum to increase your monthly pension or EDP income.
3. **Trivial Commutation:** you can convert all of your pension into a cash lump sum if your overall pension **value** (in all schemes you belong to) is less than £30 000. You must be over age 55 to apply.
4. **Resettlement Commutation:** you can convert some of your monthly pension payment to increase your (tax-free) lump sum; you must have reached your Immediate Pension point and be under age 55 to apply.
5. **Small Pot Commutation:** you can convert your ‘small pot’ pension (which is worth under £10 000) into a lump sum. If your pension pot is worth more than £10 000, you may be eligible for trivial commutation. You must be over age 55.

A breakdown of which AFPS provides commutation options is shown below:

Scheme*	Standard Commutation	Inverse Commutation	Trivial Commutation	Resettlement Commutation	Small pot Commutation
AFPS 15	YES		YES		YES
EDP 15		YES			
NRPS 11			YES		YES
AFPS 05		YES	YES		YES
EDP 05					
RFPS 05		YES	YES		YES
FTRS 97			YES		YES
AFPS 75			YES	YES	YES

Table 4: A breakdown of commutation options under each AFPS.

Your election

You have to apply for commutation on your Pension Claim Form before your pension is in payment. This is the same form used to make your election for deferred choice cases. Once made, your decision to commute cannot be changed.

When you receive your Remediable Service Statement (RSS), you (or your dependant) will find a breakdown of the value of the legacy and AFPS 15 style pension benefits so that you can review the commutation options you have already taken and consider whether to take any further commutation options available to you.

If you have never previously claimed pension benefits you will need to select the commutation option when making your election on your Pension Claim Form. If you have previously taken commutation and then opt for alternate benefits, this will be recalculated, which may result in:

- an increase, or decrease, in the value of your lump sum or monthly pension payment, and
- an under or overpayment.

For more information on eligibility and conditions of each commutation type, please read the relevant 'Your Scheme Explained' booklets (links are available in [Chapter 19 'Further Information'](#)).

Early Departure Payment (EDP)

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

In the Armed Forces, there are two Early Departure Payment (EDP) schemes: EDP 05 and EDP 15. The EDP's purpose is to compensate Regular personnel for the fact that a full career (i.e. up to Normal Pension Age) in the Armed Forces is usually not possible.

Eligibility

To be eligible for an EDP, you must meet the relevant scheme's criteria outlined below:

Early Departure Payment 2005

- You must be in Regular service that is pensionable under AFPS 05.
- You must be at least age 40 and have at least 18 years' regular service.

Early Departure Payment 2015

- You must be in Regular service that is pensionable under AFPS 15.
- You must be at least age 40 and have at least 20 years' regular service.

Benefits

EDP provides a lump sum and monthly income when your service in the Regular Forces ends before Normal Pension Age if you are not entitled to immediate pension benefits from AFPS 05 and/or AFPS 15 scheme. The amount you will receive depends on the value of your deferred AFPS 05/15 pension, calculated below:

- **EDP 05:** the basic amount is at least 50% of your deferred AFPS 05 pension (up until age 55) as a monthly payment. This percentage increases by 1.6667% per year of service after the 18/40 point. After age 55 the percentage increases to 75% of your deferred pension and is index linked. You will also get a tax-free lump sum upon leaving, which is 3 times your deferred pension.
- **EDP 15:** the basic amount is at least 34% of your deferred AFPS 15 pension. This increases by 0.85% per year of service after the 20/40 point. At age 55, the EDP income is index linked. You will also get a tax-free lump sum upon leaving, which is 2.25 times your deferred pension.

You will continue to receive your EDP benefits until the AFPS 05/15 deferred pension age; this is age 65 in AFPS 05, and state pension age (SPA)* in AFPS 15.

* <https://www.gov.uk/state-pension-age>

Your election

If you leave the Armed Forces with an EDP, this is considered an election point under the 2015 Pension Remedy. Some members will have different periods of service under different pension

schemes. Where these periods of service fall within the remedy period, members only need to make one election to cover all pensionable service under the relevant EDP and AFPS schemes.

The point at which your election will be made depends on whether you are still serving. The timelines are outlined below:

- If you are a serving eligible **active member** who does not have EDP benefits in payment, you will make a deferred choice election when you leave service and claim an EDP.
- If you are an eligible member who has left service with an EDP in payment, you will make an immediate choice election.
- If you are an eligible member who left service with an EDP in payment and your pension benefits were due to be paid before 1 October 2023, you will make an immediate choice.

Your EDP/AFPS benefits

If you have benefits in payment, and make an election for alternate benefits, this may generate underpayments and/or overpayments. For underpayments, arrears plus interest will be paid; for overpayments, the amount plus interest will be recovered. To understand more about rates that are applied, please read [Chapter 3 'Interest on underpayment and overpayment of benefits'](#).

If you are not yet in receipt of benefits, the election you make will determine the EDP payments you receive as well as any immediate or deferred pension benefits.

Chapter 6

Death and Dependants' Benefits



All AFPSs provide a pension, death in service payment and/or lump sum in cases where a member dies. The specific benefits will be different depending on the scheme.

There are three types of benefits which may be payable when a member dies:

- 1) **Surviving partner pensions**, paid to a spouse, civil partner or unmarried partner.*
- 2) **Eligible children’s pensions**, for children -
 - a. under 18 (age 17 in AFPS 75), and
 - b. between age 18 (age 17 under AFPS 75) to age 23 in full-time education or vocational training, or
 - c. incapable of employment due to physical/mental disabilities and dependent on the member.
- 3) **Lump Sum death benefits**, paid to a surviving partner, child or the member’s estate. In the AFPS 05, AFPS 15 and RFPS 05 schemes the member can nominate the lump sum to a nominated person or body.

** Please note that unmarried partners are not eligible for dependant benefits under AFPS 75, FTRS 97 or NRPS 11 unless they are entitled to an award under the AFCS or Attributable Benefits Scheme.*

Election Process

When a member dies either without making an election or without having their election put into payment, the Act specifies that an eligible decision maker (EDM) must be determined. The EDM, who may not always be a beneficiary, is responsible for making the election. The map below shows who the EDM would be depending on the circumstance:

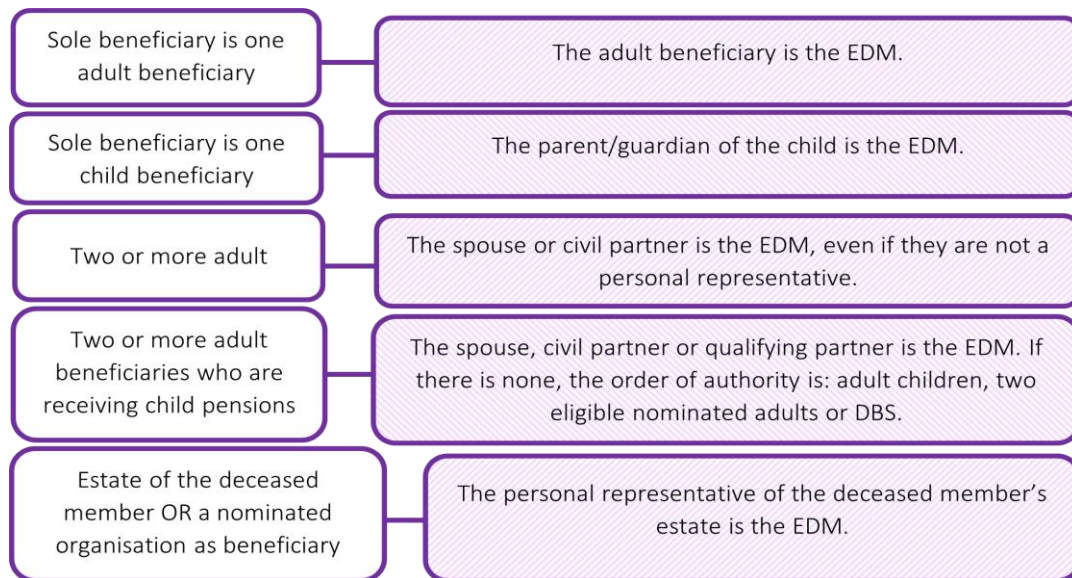
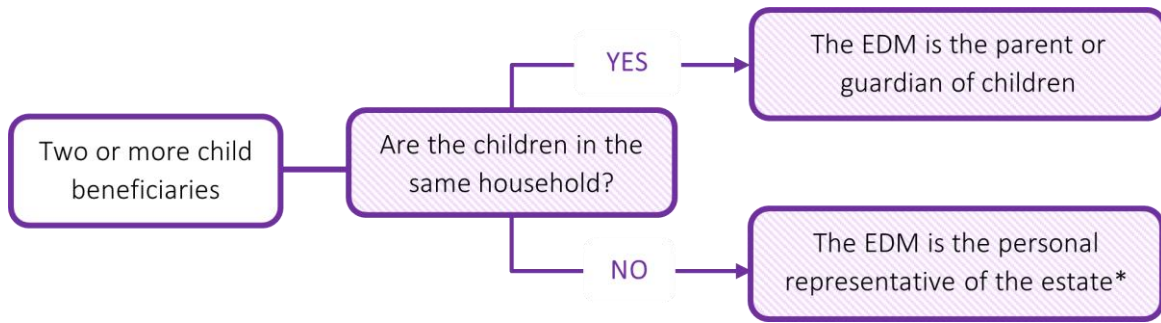


Figure 2: How an EDM is determined under different scenarios.

There are other, more complex cases, where the EDM must be identified:



*Please note that if an agreement is not made, DBS will be EDM.

Figure 3: How an EDM is determined where there are two or more child beneficiaries.

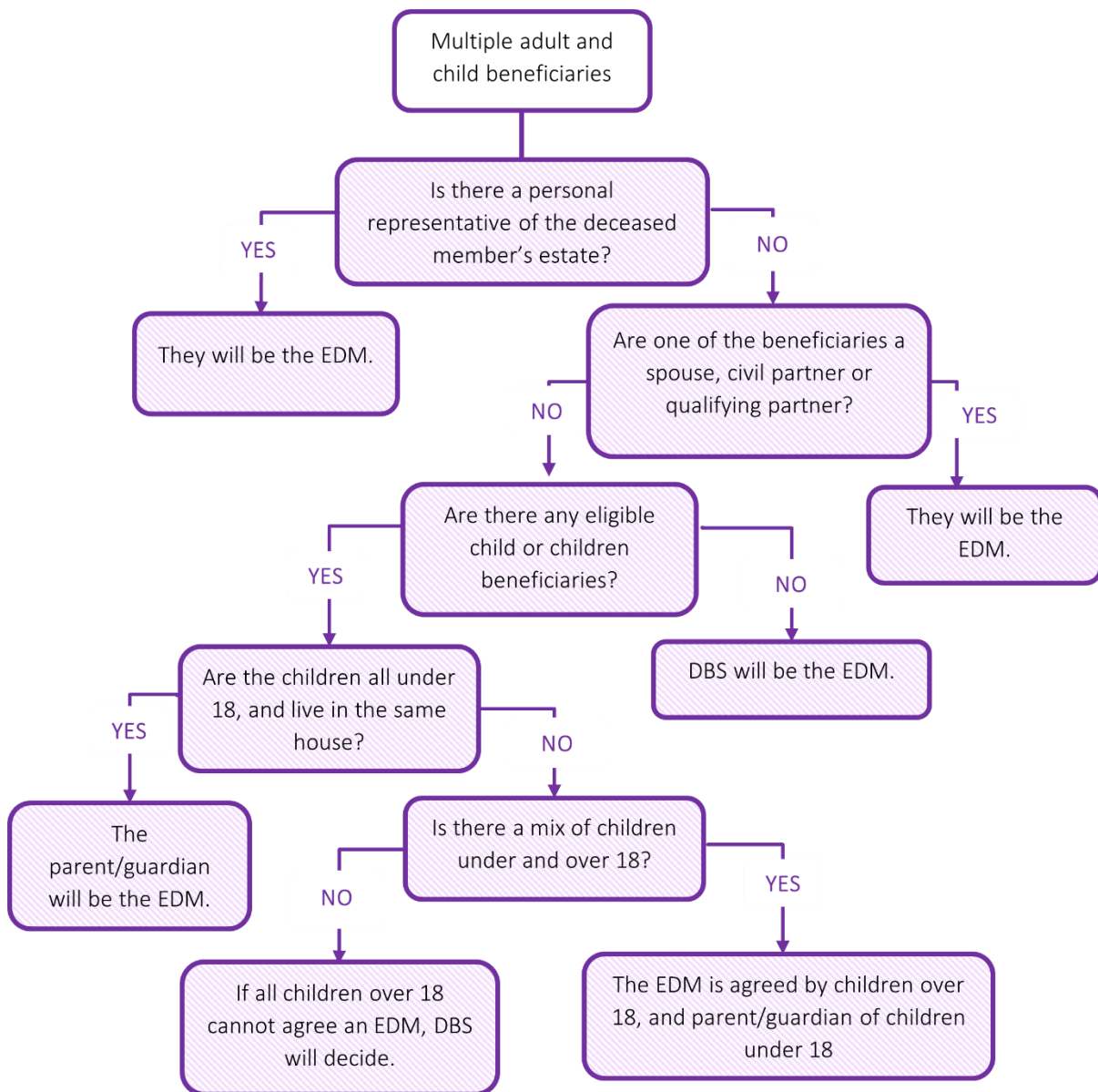


Figure 4: How an EDM is determined where there are multiple adult and child beneficiaries.

Once the EDM has been confirmed they will be sent a Remediable Service Statement (RSS) that will outline the value of the deceased member's legacy and AFPS 15 style benefits, so that they can make an election. The election process for immediate and deferred choice is shown below:

- 1) **Immediate Choice:** if the member died before 1 October 2023, the EDM must make the election within 1 year of the date the RSS is issued. Once made, this cannot be changed.
- 2) **Deferred Choice:** for deaths after 1 October 2023, the following applies:
 - a. If no election was made, the EDM will make an election within 6 months of the date the RSS is issued. Once made, this cannot be changed.
 - b. If an election was made by the deceased member but they die before benefits are put into payment, it will lapse and the EDM will make a new election. The EDM will have 6 months from the date the RSS is issued to make the election. Once made, this cannot be changed.
 - c. If an election was made by the deceased member and those benefits are already in payment, this cannot be changed.

The EDM's Election

There are a number of cases where an EDM's election may affect dependant benefits. Their election could result in:

- over or underpayments if the member was receiving a pension (including EDP) before they died, or if the dependants were receiving a pension/lump sum. This may attract interest.**
- entitlement to pensions and/or death lump sums for dependants.
- impact on remediable service where the EDM elects for AFPS 15 style benefits, but the member had made a nomination for the death lump sum.

In exceptional circumstances an EDM's election will not affect dependants' benefits, i.e. if a child has a pension in payment before the EDM (in a different household) makes their election, the MOD will ensure that the child's pension is not reduced because of the EDM's decision.

*** Please read '[Chapter 3 Interest on underpayment and overpayment of benefits](#)' for more information on interest.*

Re-Joiners

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

Key terms:

- **Aggregate/Aggregation:** Aggregation is available under legacy scheme rules only and permits joining previous and most current periods of pensionable service together so that they count as one period. This only applies to regular service and only when a pension is not in payment for the last period of service.
- **Reckonable service:** Reckonable service is the exact period of paid pensionable service used to calculate a legacy pension. This will be different depending on your pension scheme (more information on reckonable service is outlined in [Chapter 20 'Glossary'](#)).
- **Continuity of service:** If you have re-joined the Armed Forces and have pensionable service both in a legacy scheme and AFPS 15, you may have continuity of service, provided the gap between the two periods of service **does not exceed five years**. Continuity of service means a final salary link may be applied to the legacy pension (if that is better); there is no need to vest again (two years qualifying service); and members with two periods of regular service will count both periods towards qualification of immediate pension or EDP.
- **Immediate Pension:** Immediate pension is paid immediately when leaving the Armed Forces.

Introduction

Throughout your career in the Armed Forces, you may have served in both the regular and reserve service. This means that before the AFPS 15 was introduced (which all personnel are now under), you could have moved between regular and reserve pension schemes, and therefore accrued benefits under both.

The table below shows which pension scheme your type of service may have come under:

Type of Service	Pension Scheme
Regular	AFPS 75 AFPS 05
Mobilised, Full Time or Additional Duties Commitment Reserve	FTRS 97 RFPS 05
Non-Regular Permanent Staff	NRPS 11

Table 5: Pension Schemes that re-joiners come under depending on their type of service.

The following legacy schemes were closed to new members and re-joiners on the dates shown:

- **AFPS 75**: this scheme was closed from 6 April 2005.
- **FTRS 97**: this scheme was closed from 6 April 2005.
- **NRPS 11**: this scheme was closed from 31 August 2011.

Individuals re-joining service after the dates above could only accrue benefits under the last open scheme for the relevant type of service, i.e., AFPS 05 or RFPS 05.

How this applies to the 2015 Pension Remedy for re-joiners

Where a remedy eligible member began re-employment before 1 April 2015, they would have joined a scheme appropriate for their commitment type (AFPS 05 or RFPS 05) and provided they have not since been re-employed, have returned to that scheme as part of roll back.

Where a remedy eligible member began re-employment in the remedy period, they rolled back to the scheme which was open for their particular commitment type (regular/reserve), even if that was not the scheme in which they had most recently accrued pensionable service. This means:

- Those who were **last in regular service** and had periods of full-time reserve service during the remedy period returned to their last regular scheme for any regular service in the remedy period and RFPS 05 for their reserve service.
- Those who were **last in reserve service** and had periods of regular service during the remedy period returned to their reserve pension scheme for any reserve service in the remedy period and AFPS 05 for regular service in the remedy period.
- Those who were **last in regular service** and have a **further period of regular service** in the remedy period returned to their last regular pension scheme for the earlier service (if any service was in the remedy period) and AFPS 05 for subsequent service (see further paragraphs in this section for how this affects certain cohorts).

In all cases, members with remediable service will be provided with a choice of either legacy or reformed scheme benefits.

Regular Service

- If you have two periods of remediable service under AFPS 05 which are more than 6 months apart, you can choose to aggregate your regular service or leave them as separate periods (one remains a deferred pension and the other is active membership). Any gap of less than 6 months between two periods of AFPS 05 service is treated as continuous. When considering whether to aggregate or not, please note that AFPS 05 is calculated based on the total reckonable service for each membership.
- If you have an AFPS 75 **deferred** pension award and later re-join regular service, you may also aggregate the most recent period of service with the current period of service under AFPS 05. This will extinguish your AFPS 75 award and all periods of service will come under AFPS 05. If you choose this option, you will make one

election that covers the periods of aggregated service. However, if you were formerly a member of AFPS 75 and the gap between the two periods of regular service is less than 30 days, you would return to AFPS 75.

- If you have any periods of service that are not aggregated (this could be all under AFPS 05, or AFPS 75 and AFPS 05), a separate election choice will apply to each period of unconnected service.
- Your option to aggregate relevant periods of service can be exercised up to the end of your election period.
- If you have two or more periods of regular service, which must include regular AFPS 15 service, and the gap between each period of regular service is less than 5 years, you may qualify for continuity of service. If this applies, your deferred legacy service is linked to AFPS 15. While an active member of AFPS 15, you do not accrue more pension in the legacy scheme, however your regular qualifying service in AFPS 15 can be used to meet the AFPS 75 or EDP 05 qualification point. The pension paid by AFPS 75 or EDP 05 is pro rata, i.e. will reflect the pensionable service in the scheme but with a final salary/rank link applied. When an AFPS 05/15 member with continuity of service reaches age 55, they will be entitled to an immediate AFPS 05 pension on discharge (pension is based on service in AFPS 05), with the final salary link applied.

Reserve Service

- All periods of full-time reserve service in the remedy period have rolled back to the RFPS 05 scheme.
- If you opt for RFPS 05 the pension you will receive will be the aggregate of all pension benefits you have accrued during each period of RFPS 05 service. If you have served for multiple periods, you will submit one election covering all periods.

Two Periods of Regular Service: AFPS 75

IMPORTANT

- For former members of the AFPS 75 who re-join regular service with a gap in service greater than 30 days, the relevant legacy pension scheme on roll back is AFPS 05. This could result in a disadvantage to those re-joiners who have discharged prior to 1 October 2023 with a AFPS 75 pension in payment.
- Before remedy, a former member of the AFPS 75 who re-joined the armed forces would have been a transition member with continuity of service in AFPS 75 and AFPS 15. Continuity of service rules meant that regular service under the AFPS 15

counted as qualifying service towards the immediate pension point under the AFPS 75. If the member left service with enough qualifying service under both schemes to meet the relevant AFPS 75 immediate pension point, they would be entitled to a pro-rata immediate pension for life from AFPS 75 as well as EDP 15 benefits if they met the 20/40 point.

- And if such re-joiners were medically discharged from service with entitlement to an incapacity EDP 15 Tier 1 lump sum, under the AFPS 75 transitional rules, they would also be entitled to a pro-rated service invaliding pension (SIP) under the AFPS 75. This is because the threshold for a SIP under AFPS 75 is the same as for a Tier 1 lump sum under the EDP 15 Order. If an AFPS 75 member with continuity of service is in this position, they will be currently in receipt of a AFPS 75/15 pension or AFPS 75 EDP 15 Tier 1 award.
- The roll back to AFPS 05 for the remedy period may remove entitlement to the benefits in payment for these members, meaning that unlike other pension members they will not be able to elect to keep their current benefits in payment.
- These members will have the following choice:
 - Retain their existing AFPS 75/AFPS 15/EDP 15 benefits provided they elect for reformed scheme benefits for the remedy period, or
 - Elect for legacy scheme benefits, which means their AFPS 75 pension in payment will cease, and the remediable service will be subject to the standard AFPS 05 / EDP 05 rules. This will result in the following;
 - their AFPS 75 pension will become a deferred pension, the member may or may not be entitled to continuity of service.
 - the remediable service will be pensionable under the AFPS 05/EDP 05. Without aggregating the AFPS 75 with AFPS 05 their entitlement to EDP 05 starts from the first day of the further service (EDP 15 is different and begins from the first day of Armed Forces regular service so long as there is no gap longer than 5 years between any period of regular service).

For additional information on re-joining, please read the [Armed Forces and Reserve Pension Schemes](#) booklet (MMP 116).

Your benefits

When you make your election, you may experience an underpayment, or an overpayment, of benefits. For underpayments, arrears plus interest will be paid and for overpayments, the amount plus interest will be recovered. To understand more about rates that are applied, please read [Chapter 3 'Interest on underpayment and overpayment of benefits'](#).

Member Voluntary Contributions (MVCs)

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

IMPORTANT

Please read the [Member Voluntary Contributions Factsheet](#) alongside this chapter to understand the specific processes that you need to follow so that you can purchase (or restore) legacy voluntary contributions. If having read this chapter and the factsheet and you still have questions related to voluntary contributions, '[Chapter 19 Further Information](#)' contains contacts details for DBS.

Introduction

The AFPS 75, 05 and 15 provide their members with the option to increase their benefits by making voluntary pension contributions. These are outlined in detail below:

AFPS 15

Added Pension

This pension benefit allows members to increase their pension pot by purchasing one-year contracts (from 1 April to 31 March) from the member's first day of paid service up until they leave the Armed Forces.

There are two types of Added Pension available:

- **Added Pension (member):** this enhances the value of pension received at retirement.
- **Added Pension (member and dependants):** this enhances the value of pension received at retirement AND it enhances the value of the pension that their dependants will receive after their death.

How the 2015 Pension Remedy will look for members who have purchased Added Pension

From 1 October 2023, active members and deferred members were informed that any AFPS 15 Added Pension purchased in the remedy period would be revoked and compensation paid. Pensioner members with an AFPS 15 Added Pension contract in payment receive a full refund after making an immediate choice election. Current benefits continue to be paid.

Members who are eligible to purchase Added Pension have the following options:

1. Members who rolled back to AFPS 75 or AFPS 05 can apply to purchase retrospective additional reckonable service in these schemes, subject to meeting conditions, whilst still serving as a regular member. See the [Member Voluntary Contributions Factsheet](#).
2. Active members can purchase AFPS 15 Added Pension by entering into a **new** contract by making monthly contributions or using their compensation payment to purchase Added Pension as a lump sum.
3. If the compensated member had an AFPS 15 Added Pension contract cancelled, they may choose to purchase a **second** contract (up to the total value of compensation plus original tax relief). Please see the [Member Voluntary Contributions Factsheet](#).
4. Subject to eligibility, members may be able to purchase one of the AFPS 75 AVCs for enhanced pension that were cancelled when they transitioned to AFPS 15, (see 'Purchase of Enhanced Pension' below).

AFPS 05

Under AFPS 05 members may purchase additional reckonable service. To do so, they **must** provide evidence that they would have purchased additional reckonable service in a legacy scheme, had they not been compulsorily transferred to AFPS 15.

Additional Reckonable Service

This pension benefit allows members to purchase additional days/years of service to increase their overall pension.

How the 2015 Pension Remedy will look for members who have purchased Additional Reckonable Service

The retrospective process for purchasing additional reckonable service applies only to Regular personnel who are eligible for the 2015 Pension Remedy. Depending on the cohort they belong to, they will have the following options:

- Active members will have the option to enter into a new AFPS 05 arrangement retrospectively, as long as they meet the age and actuarial factors to apply.
- Pensioner and deferred members can also apply for an Additional Voluntary Contribution arrangement. The contract will start from the time they were in continuous regular service until the date that service ended i.e. when they become a pensioner or deferred member.

If the member has purchased additional reckonable service under a remedial voluntary arrangement, this will not be affected by their election. This will remain in the legacy scheme and will only affect the value of pension paid under legacy scheme rules. For example: where a member purchases an additional 15 years of reckonable service, with effect from 2016, and then chooses AFPS 15 style benefits for the remedy period, the additional reckonable service purchased will increase their reckonable service under the legacy scheme; it will not affect their AFPS 15 style benefits.

AFPS 75

Under this scheme, members may purchase additional reckonable service and/or enhanced pension benefits for member and dependants.

Additional Reckonable Service

Please read the AFPS 05 'Additional Reckonable Service' section above, noting the following caveat which applies to AFPS 75:

- *Pensioner and deferred members can apply for an Additional Voluntary Contribution arrangement. The contract will start from the time they were in continuous regular service, until age 55.*

Purchase of Enhanced Pension

Enhanced pension allows members to enter into three pension enhancement arrangements, although only two will be available for retrospective purchase. These are:

- Member benefits based on actual final salary, rather than representative rate.
- Increased pension for surviving spouse or civil partner.
- The 'Enhanced Death in Service Lump Sum' will **not** be available for retrospective purchase. Members are covered by the AFPS 15 Death in Service lump sum which offers the same benefit.

How the 2015 Pension Remedy will look for members who have purchased Enhanced Pension

Depending on the cohort the member belongs to, the following options applied from 1 Oct 23:

- Active, deferred, and pensioner members who were rolled back to AFPS 75 may apply to retrospectively restore/purchase an enhanced pension contract **subject to providing the required evidence** (see MVC Factsheet for further detail).
- Members whose AVCs were cancelled due to the 2015 Pension Reform, were informed that these can be restored or that alternatively, they may enter into new arrangements.
- Pensioner and deferred members who purchase a new contract will need to pay all contributions arrears, minus tax relief and plus any interest. Active members will receive tax relief when purchasing and will not have their contribution arrears reduced.

Divorce and Dissolution

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

IMPORTANT

HMRC guidance on pension sharing orders continues to evolve and MOD guidance will be updated accordingly. Please refer to the latest guidance to make sure you remain up to date.

Please also refer to the [Pension Benefits on Divorce and Dissolution of Civil Partnerships](#) (MMP 131) for more information.

Introduction

If you are divorced, or have ended a civil partnership, you may have decided to divide your money and other assets like retirement savings (i.e. your Armed Forces Pension). Depending on if you and your former partner have agreed to divide the retirement savings completely, or at a certain percentage, there will be special orders from the court on this.

During the divorce process, the scheme administrator can provide a statement which outlines your retirement savings under the AFPS. The court might also ask for this information. The document only shows the value of the retirement savings at a certain time, it does not guarantee how much pension you will get in the future.

The information below mostly relates to dividing retirement savings through a process called a **Pension Sharing Order** (PSO). Other ways to divide retirement savings include Earmarking Orders (EO) and Pension Attachment Orders (PAO).

Earmarking and Pension Attachment Orders

An EO or PAO is a court order that outlines how much pension must be given to your ex-partner when your benefits become payable. In England, Wales, and Northern Ireland, your ex-partner can get: a pension, a lump sum when the benefits become payable, and a lump sum (for EO only) if you die. In Scotland, the rules are slightly different as the ex-partner only gets a lump sum when your benefits become payable. You can control the income and the time you start taking your benefits, in line with normal rules for the AFPS.

If you are already receiving your pension by 1 October 2023, you will have to make an **immediate choice**. Until you make your election, you will see no changes to your benefits in payment. Once you have made your election, the amount of pension may change. **If an EO or**

PAO is in place for retirement money that's already being paid, the amount of money that goes to the ex-partner might change when the choice is made.

Any change in value of the pension in payment will be retrospective, to the point at which the pension became payable. In principle, there may have been overpayments (where the value of the pension has decreased) or underpayments (where the pension has increased). In all cases where there has been an underpayment, the MOD will pay the relevant arrears, plus interest. In cases where there has been an overpayment any balance after offsetting can be settled by either paying in full by way of a lump sum or through an agreed instalment plan

Older Earmarking or Pension Attachment Orders (pre-2000) might specify a specific amount of money to be given to the ex-partner instead of a percentage of the pension. In those cases, the amount of pension they receive will not change because of your election.

Pension Sharing Orders

A PSO is a formal agreement to divide the retirement savings when you get divorced or end your civil partnership. In England, Wales, and Northern Ireland, a PSO is always a court order. In Scotland, it can be an agreement or a court order. The purpose of a PSO is to separate your retirement savings so that you (and your ex-partner) have your own accounts, and so that changes in either of your situations does not affect the other person's account.

In England, Wales, and Northern Ireland, a PSO will outline the exact percentage of your retirement savings that will be given to your ex-partner. In Scotland, it might specify a percentage or an amount of money. The amount your ex-partner receives is called 'pension credit,' making them the **pension credit member**. You (as the 'owner' of the pension) are the **pension debit member**.

If you have retirement savings in more than one scheme and the PSO applies to more than one scheme, there will be a separate calculation for each scheme. Your ex-partner might have accounts in different schemes.

The rules for the 2015 Pension Remedy only apply to shareable rights that were earned in the remedy period (1 April 2015 to 31 March 2022). It does not matter when the PSO was made or became effective, as long as it covers rights earned during the remedy period.

The 2015 Pension Remedy is based on when the Cash Equivalent Value (CEV), which is the value of the retirement savings, was provided to you or the Court. The remedy also works differently for pension credit members and pension debit members.

Pension Sharing where CEV was provided before 1 October 2023

Pension Credit Members (PCMs)

The court will have been given a CEV based on the scheme(s) the member belonged to at the time the CEV was requested. DBS will calculate the alternative CEV and alternative pension credit relating to remediable service benefits and, where the alternative pension credit value

would have been higher, the scheme manager must pay the difference (a “top-up”) into the PCM’s pension credit account.

- Where the PCM only has an account in one pension scheme, the top up will be applied to that account.
- Where the PCM has an account in more than one scheme, they will be offered a choice as to which scheme they wish the top-up to be applied.
- Where a PCM fails to make such a choice within the required timescale, the top-up will be applied to benefits in the legacy scheme.

For Scottish PSOs or qualifying agreements which specify an amount by which your pension is to be reduced, rather than a percentage, the scheme will calculate an implied percentage which will be used to determine the alternative amount to be shared and whether a top up is applicable.

If the PSO is implemented after 1 October 2023, the scheme manager will then carry out the valuation process similarly to above and implement a top up to the pension credit where the alternative pension credit value is higher.

Pension Debit Members (PDMs)

Where the PSO has been made on the basis of a CEV provided before 1 October 2023, it may apply to rights which either no longer exist or are significantly reduced after roll back. The PSO itself cannot be changed but schemes are able to adjust benefits payable to PDMs. This section sets out how pension debit reductions will be calculated and applied where the PSO is based on information supplied before the 2015 Pension Remedy was implemented.

The basic principle to do with the calculation of the pension debit is that it should reflect the percentage awarded by the PSO in relation to benefits accrued during the remedy period, irrespective of which scheme is named on the PSO Annex. The ‘Information Stations’ below provide two examples to explain this further:

Information Station

Example 1: A is a Full Protection member of the AFPS 75, requests a CEV for divorce proceedings on 1 April 2023 and the PSO is made on 2 November 2023.

The PSO awards 70% of the AFPS 75 pension to A’s former spouse. At roll back, nothing changed because A was always in the AFPS 75 during the remedy period.

When A makes their remedy choice, they elect for reformed scheme benefits for the remedy period. The amount of their pension debit is re-calculated to reflect the revised mix of legacy and reformed scheme benefits. A pension reduction of 70% is still applied but the debit amount will change to reflect that they have elected reformed scheme benefits for the remedy period.

Information Station

Example 2: B is an unprotected member of the AFPS 05, requests a CEV for divorce proceedings on 5 March 2019 and the PSO is made on 1 April 2020.

The PSO awards the former spouse a 50% share in the AFPS 05 pension and 10% share in the AFPS 15 pension and is implemented accordingly.

- At roll back, B returned to the AFPS 05 for the remedy period and their pension rights changed: the value of their AFPS 05 pension increases and the value of their AFPS 15 pension decreases.
- The pension reduction is re-calculated to reflect that their AFPS 05 shareable rights accrued during the remedy period are subject to a 10% reduction and not 50% because this is the reduction set out in the PSO in relation to service in the remedy period.
- When B makes their remedy choice, the percentage reduction applied to their rights for the remedy period is still 10% but the debit amount may change if they elect for reformed scheme benefits.

The pension debit reduction in these cases is completely de-linked from what is happening in relation to the pension credit account. The pension benefits are adjusted to reflect the percentage reduction ordered by the court in relation to the benefits accrued through remediable service. The member's pension account will be reviewed and adjusted as soon as possible following roll back.

Pension Sharing after 1 October 2023

Pension Debit Members (PDMs) and Pension Credit Members (PCMs)

If a CEV is provided after 1 October 2023, and you have not made an election, the scheme administrator will calculate the CEV as though the rights relating to any remediable service were in your legacy scheme, and then again as though they were in the AFPS 15 scheme. The value provided to the court will be the higher of the CEVs.

To calculate the pension debit for the remediable service, the scheme will apply the percentage (or implied percentage in Scotland) set out in the PSO for the legacy scheme, as you have been rolled back into that scheme. The pension debit reduction actually applied on implementation of the PSO will be based on legacy benefits for the remedy period.

However, at the point when you make your election, if you elect for AFPS 15 style benefits for the remedy period, the pension debit reduction amount will need to be according to the alternative valuation mentioned above, because the value of the benefits will change. The RSS will outline the calculations for both legacy and AFPS 15 style benefits.

The higher of the CEVs and the legacy scheme percentage (or implied percentage) will also be used to implement the pension credit, which will be awarded in the legacy scheme.

Further information

Legislation provides that pension scheme administrators may levy charges associated with the administrative costs for work carried out relating to divorce or dissolution proceedings. In cases where any re-calculation of the debit or credit benefits is required because the PSO was based on a CEV issued before 1 October 2023 no further charges will be levied. Where the relevant CEV is issued on or after 1 October 2023, current charging protocols will apply in the normal way. Please review the [Pension on Divorce or the Dissolution of a Civil Partnership: Charging Regime](#) for more information.

Where an EO or PAO is in place, you are responsible for any tax charges that might arise.

Where a PSO is in place, this will affect the PDM's position in relation to the annual allowance charges for tax. Likewise, the pension credit account will form part of the PCM's pension rights for the purposes of the annual allowance charges.

Early Payment of Pensions (EPP)

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

Key terms:

- **Normal Pension Age (NPA):** this is the age where active members receive an immediate pension if they leave service at age 55 (AFPS 05) or 60 (AFPS 15).
- **Deferred Pension Age (DPA):** this is the age where pension is payable if the member leaves service before reaching NPA (for example, age 65 in AFPS 05). A full outline of DPAs under different pension schemes is shown in the table below.
- **Actuarial reduction:** this is when a reduction is applied to a member's accrued pension so that this offsets any extra costs or changes that may occur due to the payment of that pension. In this context, it relates to the earlier payment of that pension.

Background

In the Armed Forces Pension Schemes (excluding NRPS 11), you have the option to apply for an early payment of your deferred pension, which is then actuarially reduced for life. The DPA and EPP criteria is shown below:

Pension Scheme	Deferred Pension Age	Early Payment of Payment option
AFPS 15	65 or State Pension Age, whichever is higher	You can receive all your deferred pension with actuarial reduction from age 55.
NRPS 11	60	You cannot claim an early payment of deferred pension on an actuarially reduced basis.
AFPS 05	65	You can receive all your deferred pension and lump sum with actuarial reduction from age 55.
RFPS 05	65	You can receive all your deferred pension and lump sum with actuarial reduction from age 55.
FTRS 97	60 for service before 6 April 2006; and 65 for service on/after 6 April 2006	You can receive pension for service on/after 6 April 2006, and lump sum, with actuarial reduction from age 60.

AFPS 75	60 for service on/before 5 April 2006; and 65 for service on/after 6 April 2006.	You can receive pension for service on/after 6 April 2006, and lump sum, with actuarial reduction from age 60.
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Table 6: EPP criteria for members depending on which AFPS they come under.

How the 2015 Pension Remedy will look for members with EPP

It is important to note that whilst the retrospective remedy will not change the EPP rules currently in your pension scheme, there may be factors for you to consider regarding EPP when you make your election. For example, if you have an actuarially reduced pension in payment and elect for AFPS 15 style benefits, your benefits are likely to change because the EPP age criteria will be different in both your legacy scheme and AFPS 15.

Please note that any decision made to actuarially reduce a pension payment **cannot be undone** so you should make sure you have assessed the benefits of claiming this beforehand.

Immediate Choice

If you already have an actuarially reduced pension in payment, the re-calculation of your actuarially reduced pension (and any lump sum payment) will include pension increases from the point of the discharge and also use the relevant early payment factors for the alternative scheme. The calculations will be shown in your RSS.

When you make your election, you may experience:

- an underpayment or overpayment of benefits. For underpayments, arrears plus interest will be paid and for overpayments, the amount plus interest will be recovered. For more information on interest rates, please read [Chapter 3 'Interest on underpayment and overpayment of benefits'](#).
- tax implications. For more information, please read the [MOD's Tax: Annual Allowance, Lifetime Allowance and Income Tax booklet](#).

Deferred Choice

From 1 October 2023, if you are a deferred member who would like to claim an actuarially reduced pension, you will need to follow the steps below:

1. You will need to contact the JPAC enquiry centre (contact details are available in [Chapter 19 'Further Information'](#)) if you wish to claim an actuarially reduced pension.
2. If accepted, you will be provided with an RSS that includes information on the actuarial reduction options available under your legacy scheme and the AFPS 15 equivalent.
3. Your 'election period' of 6 months will begin once the RSS is issued.
4. Your election may be changed at any point up until 1 month before benefits are due to come into payment.
5. Once your benefits are in payment, the election you make is irrevocable.

Ill-Health Retirement

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

Background

If you are medically discharged from service in the Armed Forces, you may be eligible to receive ill-health benefits. The type of benefits you receive depends on the pension scheme(s) you are a member of and the level of your ill-health or injury.

The types of ill-health benefits payable are outlined below.

Scheme	Ill-Health Benefits
AFPS 15	<p style="text-align: center;">Tier 1</p> <p>If you have not reached an EDP qualification point, you will get a tax-free lump sum. This is calculated as follows:</p> <p style="text-align: center;">Final pensionable earnings x reckonable service</p> <p style="text-align: center;">Final pensionable earnings: ½ of pensionable earnings Reckonable service: number of years served in AFPS 15.</p> <p>The overall amount you receive cannot be higher than 2 years' worth of final pensionable earnings (otherwise it will be capped), or less than 6 months' worth of final pensionable earning (otherwise it will be rounded up).</p> <p>If you are eligible for EDP, you will receive an EDP lump sum and monthly income payments instead. You cannot receive both. You will also get a deferred pension, which will come into payment at State Pension Age.</p>
AFPS15	<p style="text-align: center;">Tier 2</p> <p>If you have not reached Normal Pension Age (NPA), you will get an immediate enhanced taxable ill-health pension paid for life. This is calculated as follows:</p> <p style="text-align: center;">(Average pension x reckonable service) + enhancement</p> <p style="text-align: center;">Average Pension: CARE pension pot ÷ reckonable service. Reckonable Service: number of years served in AFPS 15. Enhancement: ⅓ x years remaining until NPA (60).</p> <p>Please note that you will not be paid an EDP as you will be receipt of an immediate pension.</p>

AFPS15	<p style="text-align: center;">Tier 3</p> <p>If you have not reached NPA, you will get the same award as listed in Tier 2 above. The only caveat is: <i>Enhancement: ½ x years remaining until NPA.</i></p>
EDP 15 Tier 1 scheme	<p>You will get a tax-free lump sum. This is calculated using your salary at discharge and length of service. This is payable to regular personnel in service under the AFPS 15.</p> <p>If you qualify for EDP 15 payment, you will receive this instead of a Tier 1 lump sum because this is more generous.</p>
NRPS 11	<p>If you are an active member of NRPS with:</p> <ul style="list-style-type: none"> ○ 2 or more years of service: you will get an immediate ill-health pension and a lump sum (3 x annual pension). ○ 5 or more years of service: you will get a pension and lump sum which is enhanced based on the number of years you served under NRPS 11. <p>If you are a deferred member, you will get an immediate ill-health pension and lump sum (3 x annual pension). The ill-health pension is calculated as follows:</p> <p style="text-align: center;">Final pensionable earnings x reckonable service Final pensionable earnings: 1/80 of pensionable earnings. Reckonable service: number of years served in NRPS 11.</p>
AFPS 05	<p style="text-align: center;">Tier 1</p> <p>If you have not reached an EDP 05 qualification point, you will get a tax-free lump sum. This is calculated as follows:</p> <p style="text-align: center;">Final pensionable earnings x reckonable service</p> <p style="text-align: center;">Final pensionable earnings: ½ of pensionable earnings. Reckonable service: number of years served in AFPS 05.</p> <p>The overall amount you receive cannot be higher than 2 years' worth of final pensionable earnings (this will be capped), or less than 6 months' worth of final pensionable earning (this will be rounded up).</p> <p>If you are eligible for an EDP, you will receive an EDP lump sum and monthly income payments instead. You cannot receive both. You will also get a deferred pension, which will come into payment at State Pension Age.</p>

AFPS 05	<p style="text-align: center;">Tier 2</p> <p>If you have not reached NPA, you will get an immediate enhanced taxable ill-health pension paid for life and a tax-free lump sum (this is 3 x your annual pension). The ill-health pension is calculated as follows:</p> <p style="text-align: center;">Reckonable service + enhancement</p> <p style="text-align: center;">Reckonable Service: number of years served in AFPS 05. Enhancement: $\frac{1}{3}$ x years remaining until age 55.</p> <p>Please note that you will not be paid an EDP as you will be receipt of an immediate pension.</p>
AFPS 05	<p style="text-align: center;">Tier 3</p> <p>You will get the same award as listed in AFPS 05 Tier 2 above. The only caveat is:</p> <p style="text-align: center;"><i>Enhancement: $\frac{1}{2}$ x years remaining until age 55.</i></p>
EDP 05 Tier 1 Scheme	<p>You will get the same award listed under EDP 15 Tier 1 Scheme. The only caveats are:</p> <p style="text-align: center;"><i>EDP 05 is payable to regular personnel in service under AFPS 05. If you qualify for EDP 05 payment, you will receive this instead of a Tier 1.</i></p>
RFPS 05	<p style="text-align: center;">Tier 2</p> <p>If you have not reached NPA, you will get an immediate ill-health pension and a tax-free lump sum (3 x your annual pension), plus an additional sum for your remaining commitment time. Your ill-health pension is calculated as follows:</p> <p style="text-align: center;">Final pensionable earning x (reckonable service + $\frac{1}{3}$ of remaining commitment time)</p> <p style="text-align: center;">Final pensionable earnings: 1/70th of pensionable earnings Reckonable service: number of years served in RFPS 05.</p> <p>Previous periods of service are calculated separately and then aggregated.</p>
RFPS 05	<p style="text-align: center;">Tier 3</p> <p>You will get the same award as listed in Tier 2 above. The only caveat is:</p> <p style="text-align: center;"><i>Reckonable Service + $\frac{1}{2}$ of remaining commitment time.</i></p>

<p>FTRS 97</p>	<p>You will get an immediate ill-health pension based on service invalidating rates and a lump sum (3 x annual pension).</p> <p>If you are a deferred member and have served longer than 5 years, you will get an immediate ill-health pension and lump sum. The ill-health pension is calculated as follows:</p> <p style="text-align: center;">Final pensionable earnings x (reckonable service x 1.5%/1.25%)</p> <p style="text-align: center;">Reckonable service: number of years served in FTRS 97.</p> <p>1.5%: this percentage is used if you are under a Full Commitment type.</p> <p>1.25%: this percentage is used if you are under a Home and Limited Commitment type.</p>
<p>AFPS 75</p>	<p>Your AFPS 75 ill-health award will depend on whether your ill-health/injury is attributable (it happened or has gotten worse due to service), or non-attributable (it did not happen due to service).</p> <p style="text-align: center;">Attributable</p> <p>Please review the AFPS 75 Your Scheme Explained Booklet (link is available in Chapter 19 'Further Information') for further details on attributable ill-health awards.</p>
<p>AFPS 75</p>	<p style="text-align: center;">Non-Attributable</p> <p>You will get an immediate ill-health pension and a tax-free lump sum. Your:</p> <ul style="list-style-type: none"> ○ Pension is based on the length of your Service. If this is 5 years or more, this is normally paid at an enhanced rate. <p style="text-align: center;">Lump sum is 3 x your immediate ill-health pension.</p>

Table 7 Ill-Health Retirement criteria depending on the AFPS the member comes under.

Alongside this, please review the 'Information Station' on the next page to understand more about the 'tier' structure (this does not apply to AFPS 75, NRPS or FTRS 97 members and RFPS 05 does not have a tier 1):

Information Station

There are three types of tiers that your scheme may offer:

- **Tier 1 (LEAST SEVERE):** you have been medically discharged because you can no longer serve in the Armed Forces. However, your ability to work in civilian employment is not significantly impacted.
 - **Tier 2:** you have been medically discharged because you can no longer serve in the Armed Forces and are significantly impacted in your ability to work in civilian employment; you are expected to remain in this state until you reach age 60.
 - **Tier 3 (MOST SEVERE):** you have experienced a permanent breakdown in ill-health/injury so you can no longer serve in the Armed Forces or in civilian employment indefinitely.
-

Ill-health Retirement before 1 October 2023

If you are an eligible member and have left service with an ill-health pension in payment, you will be able to make an election under the 2015 Pension Remedy. A Remediable Service Statement (RSS) will be provided to you outlining your current benefits and your alternate option for any service you had in the remedy period. This RSS will also include details of any additional continuous compensation awards made under the Armed Forces Compensation Scheme (AFCS) or Attributable Benefits Schemes.

Additionally, if you were a full-protection member of AFPS 75, FTRS 97 and NRPS 11 and left the Armed Forces with an ill-health pension prior to 1 April 2022, you would not have been assessed for a tiered award under the AFPS 15 scheme. In such circumstances, your case will be assessed by DBS so that they can complete a tier assessment and determine the level of AFPS 15/EDP 15 equivalent benefits you would be entitled to under that scheme. Once complete, the recalculated benefits will be outlined in your RSS including ill-health values, to allow you to compare with the benefits you are currently receiving. You will then make your election. If you dispute the tiered assessment, you can appeal this. **If you do, you should not make your election until the appeal/review is complete.** Please review the relevant Appeals and Reviews paragraphs below for more information.

If you were discharged on ill-health grounds with no pension from a legacy scheme but were awarded a Tier 1 lump sum only, you are considered a **deferred member**. There will be no requirement for you to make an election until you are due to receive pension benefits.

The exception to this will be if you were a member of the RFPS 05 scheme and were discharged on ill-health grounds but did not meet the RFPS 05 criteria for an ill-health benefit. In this scenario, you may have an entitlement to a Tier 1 award under AFPS 15. If this is the case, your situation will be assessed and you will be provided with an RSS, outlining your options, and you will be required to make an election at that point.

Ill-health Retirement on or after 1 October 2023

If you are medically discharged on or after 1 October 2023 and leave with an ill-health pension or have qualified for an EDP payment and lump sum (this does not include a Tier 1 incapacity lump sum payment) you will be provided with an RSS which will outline your ill-health benefits. If you are able to make an election before your final date the benefits you choose will be payable on discharge and because you have made an election this choice will be irrevocable.

If you are not entitled to a pension, i.e. you are due to receive a Tier 1 incapacity lump sum payment, you will be eligible for a **deferred choice** and will make your election at the time your deferred benefits are due to come into payment.

It may be that you are unable to make an election prior to your discharge date because the nature of medical discharges means the RSS could not be issued within 6 months of your final date. In such cases, you will not be prevented from making an election before you leave, but you are not required to do so as you will still have the full 6 month period to consider your options. If this occurs and you do not make an election prior to your final date, benefits will still be paid but based on your legacy scheme. You will then need to make an election prior to your 6 month timeline ending, and if you opt for alternate benefits these will be changed with retrospective effect. **If you are appealing your tiered assessment, then you should not make an election until the appeals process is complete as any election you make is irrevocable, even if there is a subsequent change to your tiered benefits.** Please review the relevant Appeals and Reviews paragraphs below for more information.

Ill-health Appeals and Reviews

If you do not agree with the tiered award made in respect to your ill-health or injury, you can **appeal** that decision; additionally, if your condition deteriorates you can, subject to certain conditions (see relevant scheme rules), request a **review** of your original award:

The process for managing ill-health appeals and reviews will depend on:

- If you have made an appeal/review before or after 1 October 2023, and
- If you have, or intend to, make an appeal/review within the election period, and
- If you have made your election before or after you have, or intend to appeal/review
- If you are an RFPS 05 member who is eligible for a Tier 1 incapacity lump sum, or a full protection AFPS 75 member whose conditions result in being provided with an ill health award under AFPS 15 style benefits.

Appeals and Reviews before 1 October 2023

If you were medically discharged before 1 October 2023 and were in the process of an appeal or review, or now intend to submit one, you **MUST** notify DBS of this when you receive your RSS. For those intending to submit a review, you must **START** this process before your election period ends (this includes any subsequent claims). In both scenarios this is important because once you are issued with an RSS, your election period begins. If that period ends without you taking any action, either by making an election or commencing a review, it can be deemed that an election has been made. Therefore, by notifying DBS, your election period will be extended

until the appeal process is complete. Until an election is made, you will continue to receive your current scheme benefits.

Once your appeal or review is complete, if there is no change to your tiered assessment, you will be issued with a revised RSS. This finalises the election period, and you will need to make an election within the revised timeframe. If you opt for alternate benefits, then under or overpayments may have occurred, and these will be outlined on the RSS along with applicable interest.

If there is a change in benefits (i.e. your Tier award changes), the difference between that which you were originally receiving AND your new entitlement will need to be recalculated. A revised RSS will be issued which will outline this adjustment in both your legacy and AFPS 15 style benefits as well as detail any over or underpayments and applicable interest. If you do not make an election within the election period, you will receive the default legacy scheme benefits for the remedy period.

Appeals and Reviews after 1 October 2023

If you have been medically discharged after 1 October 2023 and are issued with an RSS, you MUST declare in your Pension Form 1 if you are appealing or reviewing the decision and you MUST do so before the election period ends (this includes any subsequent claims). Your election period will then be extended until the claim process is complete. During this extension, you will receive default legacy scheme benefits.

Once your appeal or review is complete, and if there is no change, you will be issued with a revised RSS, which will include comparable benefits and details of any under or overpayments, plus interest, that would apply if alternate benefits were chosen. The RSS will define your election and you will need to make an election within this timeframe.

If there is a change (i.e. your Tier award changes), the difference between that which you were originally receiving AND your new entitlement will need to be recalculated. The RSS will outline this adjustment in both your legacy and AFPS 15 style benefits as well as detailing any under or overpayments that would apply, plus interest where applicable. You will have until the end of the election period to submit your election. If you do not make an election within this time, you will receive default legacy scheme benefits for the remedy period.

RFPS 05 and AFPS 75 members

This applies to the following cohorts:

- You are an RFPS 05 member who has been medically discharged at Tier 1, which is your election point. This applies where you have decided to appeal the Tier level awarded.
- You are a full protection AFPS 75 member who has been medically discharged. A tier assessment is in progress to check your suitability for ill-health benefits under AFPS 15.

If you are in either of these cohorts and are undergoing an appeal or review (or intend to undergo an appeal or review) you MUST declare if you are appealing or reviewing the decision and you MUST do so before the election period ends (this includes any subsequent claims). You can make this declaration on your RSS election form or your pension claim form, it will be clear on your RSS which form is relevant to you. On making this declaration, your election period will then be extended until the claim process is complete. During this extension, you will receive default legacy scheme benefits.

Once your claim is complete, and there is no change, you will be advised on the revised election period end date so that you can make an election within this timeframe.

If there is a change (i.e. your Tier award changes), the difference between that which you were receiving in your legacy scheme AND your new tier entitlement will need to be recalculated. The RSS will outline this adjustment in both your legacy and AFPS 15 style benefits as well as detailing any under or overpayments that would apply, plus interest where applicable. You will have until the end of the election period to submit your election. If you do not make an election within this time, you will receive default legacy scheme benefits for the remedy period.

IMPORTANT

In ALL cases highlighted above if you:

- Do not notify DBS about your ongoing appeal,
- Do not notify DBS about your intention to appeal, and do not submit this before your election period ends,
- Submit an election before your appeal is complete, or before you intend to claim,
- Submit a review even when your election has been made and put into payment,

your election is **FINAL** (or deemed to have already been made). Whilst this does not prevent you from the right to review a deterioration of your ill-health or injury at any point, if your election has been made this cannot be changed and any subsequent alteration of your Tier Award will be paid on the basis of your election.

Abatement

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

Background

In the public sector, the abatement rule means that if a member leaves service with a pension benefit in payment and then later takes up further employment under the same pension scheme/employer, they cannot earn more pension benefit and new salary combined than the amount earned on the last day of their previous service (adjusted for inflation). Instead, the pension in payment is partially or fully abated or the EDP 05 suspended. Abatement applies to all legacy schemes, AFPS 15 is not subject to abatement.

In the Armed Forces, abatement rules apply if you (as a pensioner member of the AFPS 75, AFPS 05, EDP 05 or RFPS 05 scheme) take up further service in the Regular Force, Full Time Reserve Service (FTRS) or on an Additional Duties Commitment (ADC). If, during this period, you decide to change your commitment type or are promoted, the abatement amount will be re-assessed. Abatement lasts only for the period of the further Armed Forces service, and the full pension is restored once you are no longer in further service. For further details on abatement and the effect on pension and EDP when re-joining the service see [MMP 116 Re-employment in the Armed Forces](#).

How the 2015 Pension Remedy will look for Abatement

The abatement rules will continue to apply to remediable service and the outcome of a remedy election may impact the amount that is abated. For example, even though abatement applies only to your legacy scheme pension, the calculation will take into account your AFPS 15 style benefits paid by the legacy scheme following an election.

If you have re-joined with a pension in payment, which is then abated, you will have a right to make an **immediate choice** for that pension. If this election leads to a change in the amount of pension in payment, the abatement will need to be re-assessed with retrospective effect. In this scenario, the usual scheme rules relating to the effect of promotions and changes in commitment will apply.

The Remediable Service Statement (RSS) will outline any abatement to your pension and the amount that would be abated if you made an immediate choice for alternate scheme benefits.

Opted-out service

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

As a member of the Armed Forces Pension Scheme (AFPS), you can choose to opt-out from your scheme at any time. When this option is taken, you will no longer be entitled to pension benefits, but will keep any benefits you have accrued from before you had opted out. You can also choose to opt back into your scheme at a later date, as long as you meet the eligibility criteria to join.

Opting back in: application process

As part of the retrospective remedy, you (the opted-out member) must prove that you are eligible to opt back in for the remedy period by completing an application form (further information on the process is available below). Any application will automatically include service you have accrued from 1 April 2022, which you can choose to reinstate or not include when opting back in. The process for opting back in is shown below:

When the retrospective remedy is launched, the scheme administrator will contact/prompt you about the opportunity to opt back in if eligible, via a letter.

You will have 12 months from the date the above letter was sent, to submit an application for opting back in. You will need to complete Pension Form 16.

You must provide evidence that you chose to opt-out of the scheme because of the introduction of the 2015 pension reform, or the discrimination identified in the transitional protection arrangements.

If the scheme administrator agrees that you are eligible to opt back in, you will receive a Reinstatement – Remediabale Service Statement (R-RSS).^{*} This will outline the legacy and AFPS 15 style benefits for which you are eligible.

At this stage, you will have 12 months from when the R-RSS was sent, to choose whether or not to opt back in. You must choose between the following options:

- Opt back in for the remedy period, or
- Opt back in for the remedy period AND for service from 1 April 2022

^{*} Please see guidance on which R-RSS you are entitled to under 'R-RSS: Immediate and Deferred Choice.'

Figure 5: Process for opting back in to the AFPS.

R-RSS: Immediate and Deferred Choice

Depending on whether you are making an Immediate Choice or Deferred Choice election, the contents of your R-RSS will be slightly different. This is outlined below:

IMMEDIATE CHOICE

The R-RSS will provide details of benefits and options as follows:

- keep current benefits if you do not wish to have your opted out remediable service reinstated
- elect AFPS 15 style benefits for your remediable service, or
- elect legacy scheme benefits for your remediable service.

You must opt back in AND make your election together. Your decision cannot be changed once made.

DEFERRED CHOICE

The R-RSS will provide details of benefits and options as follows:

- keep current benefits if you do not wish to have your opted out remediable service reinstated, or
- elect to have your remediable service reinstated.

You will receive a new RSS within 9 months of leaving (meaning before your benefits are due), so that you can make your election for either legacy or AFPS 15 style benefits. Your decision can be changed under certain circumstances.

Figure 6: An outline of the RSSs contents depending on election choice.

The Eligible Decision Maker (EDM)

There may be some cases where an EDM must be established to decide whether or not to opt back in a deceased member's remediable service, or to make an immediate or deferred choice election on their behalf. Please review [Chapter 6 'Death and Dependants' Benefits'](#) for more details on the EDM.

The action required by the EDM will depend on the point at which the member dies. The process is outlined in the flow chart on the next page:

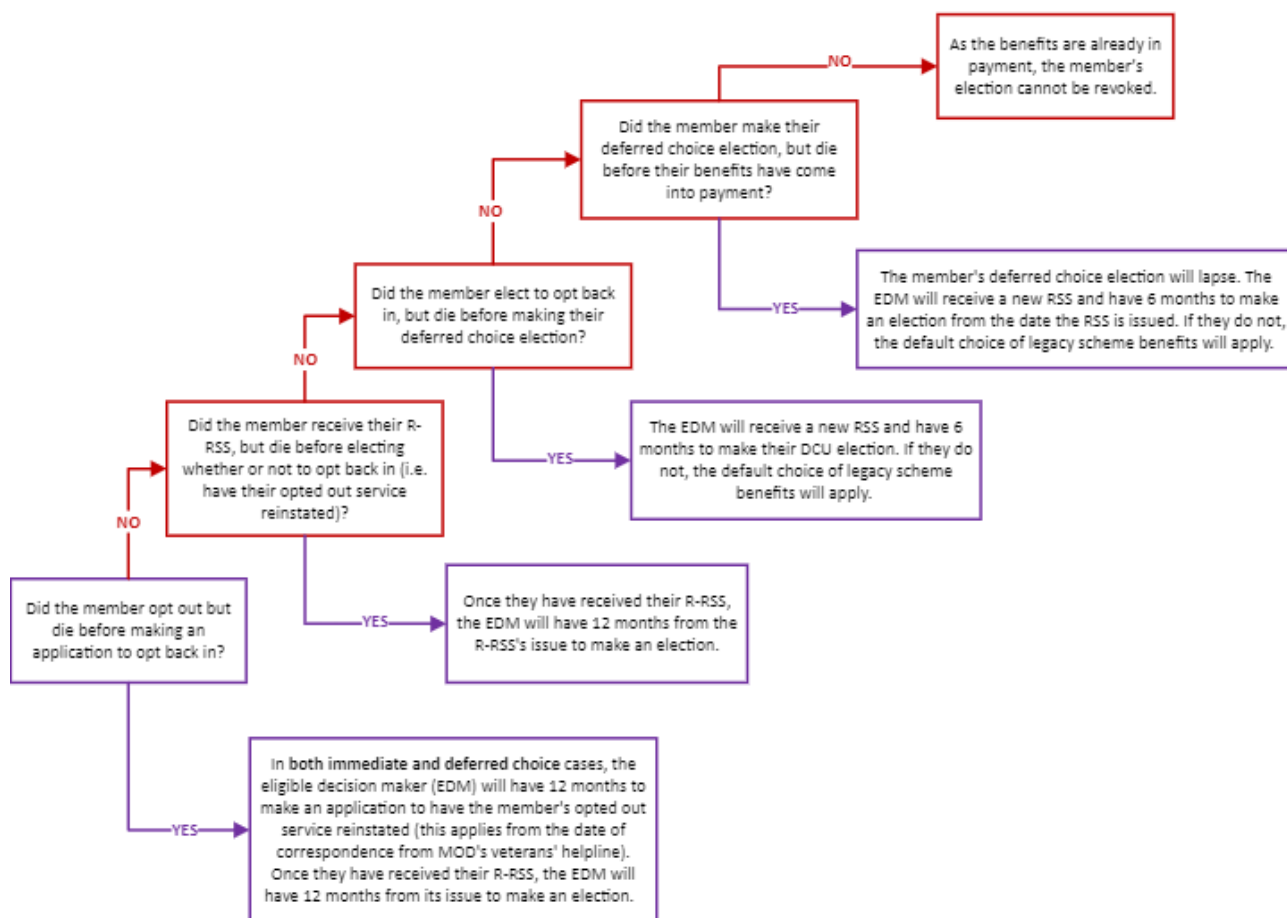


Figure 7: Process for opting back in to the AFPS, for EDMs.

How opting back in may affect your election

If you do opt back into the AFPS and then make an election, you may experience:

- An underpayment of benefits which will be owed to you, with interest. More information will be outlined in your R-RSS.
- While rare, an overpayment of benefits. This will be recovered, with interest.
- Changes to your tax position. More information will be outlined in your R-RSS.

Appealing a decision

If you are dissatisfied with the scheme administrator's decision to reject your application, you may wish to appeal this. Please follow the Internal Dispute Resolution Procedure (IDRP). Their contact details can be found in [Chapter 19 'Further Information'](#).

Redundancy

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

Eligibility

Although rare, there may be an occasion where your service in the Armed Forces ends early because of a compulsory redundancy process provided for under the Armed Forces Redundancy Scheme Regulations:

- Regular members of AFPS 75: [The Armed Forces Redundancy Scheme 2010](#)
- Regular members of AFPS 05: [The Armed Forces Redundancy Scheme 2006](#)
- Regular, FTRS or ADC members (excluding PTVR) of AFPS 15: [The Armed Forces Redundancy Scheme 2020](#)
- Members of NRPS 11: [NRPS Redundancy scheme*](#).

**Please note that members of NRPS 11 who are made redundant will continue to receive compensation from the redundancy scheme. Compensation will be unaffected by the retrospective remedy.*

The redundancy scheme that will apply to you is determined by the pension scheme that you were in when you were made redundant. Each redundancy scheme makes provision for a special capital payment to be made. The amount of compensation paid will depend on your: final relevant earnings, length of service, if you qualify for IP/EDP, the date you were made redundant and incomplete service (this is the period between the date you were made redundant, to the date you would have officially exited service).

Election Process

If you are in-scope for the 2015 Pension Remedy and are being made redundant from the Armed Forces through a formal redundancy process, you will need to make a **deferred choice** at the point of redundancy.

You can choose between the following benefits (please note that your choice will also impact the value of the special capital payment):

- **Legacy scheme benefits:** you will be eligible for redundancy benefits based on your remediable service.
- **AFPS 15 style benefits:** your benefits will be calculated as if you were an AFPS 15 member during the period of remediable service.

The flow charts below outline the process you would be eligible for depending on the date you were made redundant:

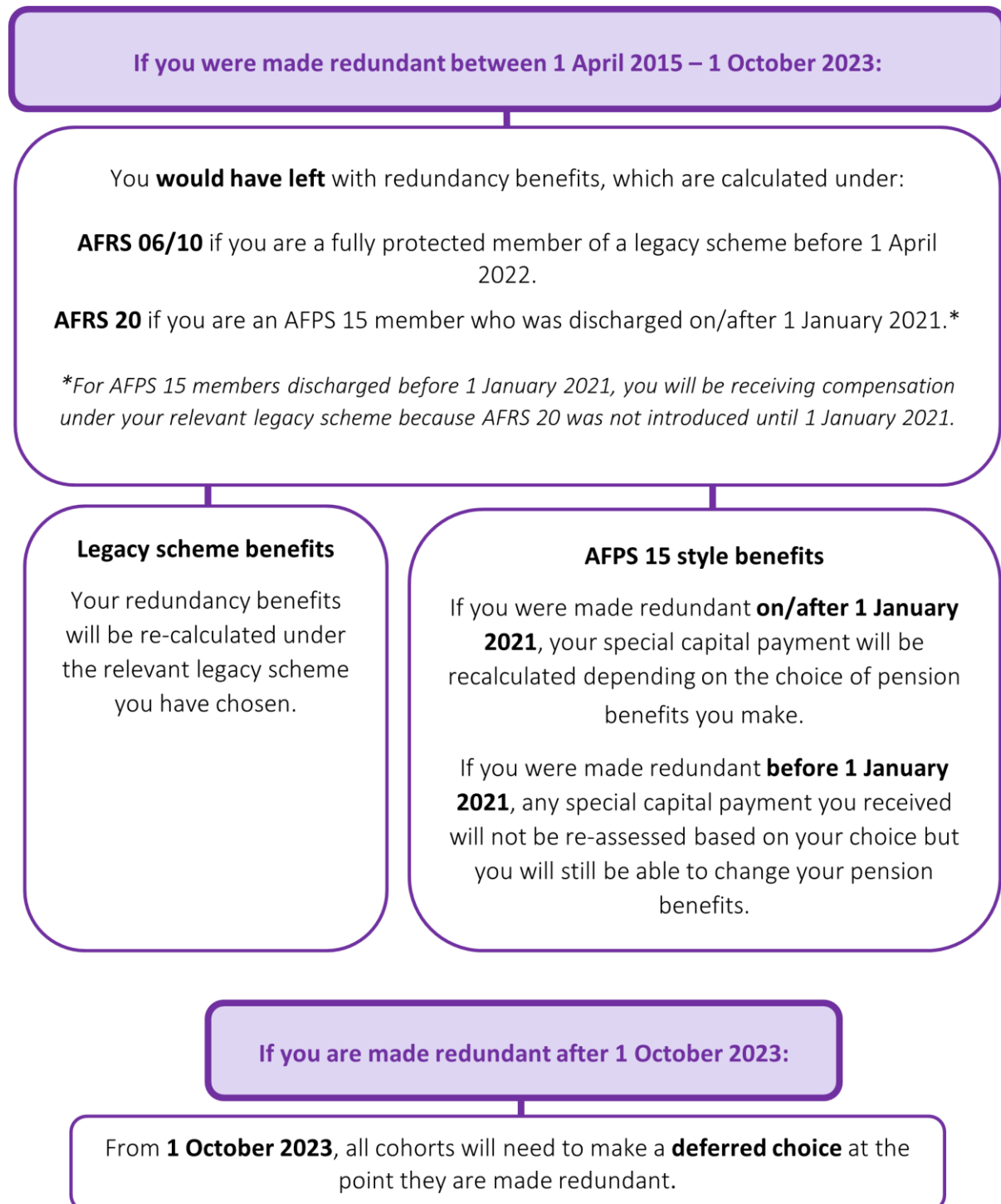


Figure 8: Redundancy process.

Your benefits

When you make your election, you may experience an underpayment, or an overpayment, of benefits. For underpayments, arrears plus interest will be paid and for overpayments, the amount plus interest will be recovered. For more information on interest rates, please read [Chapter 3 'Interest on underpayment and overpayment of benefits'](#).

Transfers

DISCLAIMER: Please note that this chapter may not apply to your individual circumstance.

Key terms:

- **Cash Equivalent Transfer Value (CETV):** this is when your total pension pot is equated to a 'cash value' so that you can buy the equivalent amount of benefits in the scheme you transfer into.
- **Receiving scheme:** this is the new scheme you are due to transfer into. They will be 'receiving' your CETV from your old scheme.
- **Sending scheme:** this means the old scheme that you are due to transfer out of. They will be 'sending'/transferring your CETV to your new scheme.

Introduction

In some circumstances, you may have accrued pension rights in an occupational or personal pension scheme before joining the Armed Forces, and request to transfer some/all of these benefits into your Armed Forces Pension Scheme (AFPS). Equally, you can also request to transfer your AFPS benefits into an occupational or personal pension scheme.

There are three types of pension scheme transfers:

Club Transfers

This is a group of public and private sector occupational pension schemes. This makes the process of transferring between the participating pension schemes easier for members.

The 'Club' works by allowing members who transfer within Club pension schemes to receive benefits in their new scheme that related to their transferred rights. You will get similar benefits to those you would have received under your old scheme.

Club Local Government Pension Scheme (LGPS)

This is a national public service pension scheme for members working in the local government or under a participating employer.

Non-Club Transfers

This applies to all other pension schemes that are not participating in the 'Club.'

Whilst it is possible for you to transfer your AFPS in/out of a non-club pension scheme, this is done on a Cash Equivalent Transfer Value (CETV). This means that the sending scheme will provide a 'cash value' for the benefits you are transferring, which the receiving scheme will

then use to determine how much you can purchase in the new scheme to get the same value of benefits.

The 2015 Pension Remedy

The general principle is that you (the eligible member) will be able to make an election for benefits that you had purchased using a transfer in payment within the remedy period only.

Any benefits already transferred out that include remedy service will receive a top up if the alternative benefit is more.

If you have transferred your pension benefits into the AFPS after 1 April 2022, you will purchase pension in AFPS 15. If you transferred out of the AFPS, you would purchase benefits in the receiving organisation's new scheme.

The next section will give further detail about transfers in or out before/after 1 October 2023.

Transfers In

If you had transferred in rights into AFPS 15, this will be treated as your 'legacy scheme benefits' after roll back. The value will vary because this will need to match the amount under the legacy scheme that would have been purchased when you transferred.

The scheme manager may accept any payments made by the sending scheme and add this to the existing club transfer payment that you have into the AFPS. The scheme manager must also, in consultation with the scheme actuary, calculate the pension that you would be eligible for in relation to the transferred in rights for your remediable service. This information will be in your RSS.

As mentioned above, when you make your election, the revised values will match to reflect the value of your legacy or AFPS 15 style benefits. If your pension is already in payment, and you choose AFPS 15 style benefits, you may experience an underpayment or overpayment of benefits. Please read the 'Your Benefits' section below for more detail.

Transfers Out before 1 October 2023

If you had transferred your remediable service rights out of AFPS 15 before 1 October 2023, the scheme manager will:

1. In consultation with the scheme actuary, value the remediable rights as if they had been under both legacy and AFPS 15-style rights respectively.
2. Calculate the higher of these two values minus the value actually paid to the receiving scheme. The difference will be paid to the receiving scheme, under the same criteria as the original transfer value.
3. Provide the receiving scheme with the details of the two valuations.

Transfers Out on or after 1 October 2023

If you transfer your remediable service rights out of AFPS 15 after 1 October 2023, the scheme manager will:

1. Calculate the remediable rights as if they had been under both legacy and AFPS 15-style rights respectively.
2. Identify the higher of the two values. The higher value is then transferred to the receiving scheme.

Your benefits

When you make your election, you may experience an underpayment, or an overpayment, of benefits. For underpayments, arrears plus interest will be paid and for overpayments, the amount plus interest will be recovered. For more information on interest rates, please read [Chapter 3 'Interest on underpayment and overpayment of benefits.'](#)

Compensation

Introduction

You may be able to claim compensation for **direct financial losses** that occurred because of the 2015 Pension Remedy. Financial losses must relate to the discrimination identified in the transitional arrangements. **Please note that there is no compensation payment offered for non-financial loss, in line with the Act.**

The compensation scheme is designed solely to compensate you for adverse financial effects that you have experienced or to put you back in the position you would have been in had the introduction of AFPS 15 never happened.

Compensation in relation to tax losses is covered separately under the [Tax: Annual Allowance, Lifetime Allowance and Income Tax booklet](#). The general principle is that if you have overpaid tax because of the way in which the 2015 Pension Remedy works then you will be compensated by that relevant amount.

Principles of compensation

The following principles have to be considered when deciding to pay compensation. These are set out in full under direction 8 of the [Treasury Directions](#).

- The purpose of the compensation is to return you to the financial position you would have been in had the 2015 Pension Remedy not adversely impacted you financially.
- Any relevant legislation and wider legal principles.
- Value for money and the principles set out in managing public money.
- Steps that you should have taken to mitigate the loss.
- The evidence provided by you and to what extent your claim relates to the discrimination identified.

Your Compensation Claim

MOD are not able to provide a comprehensive list of compensable losses due to the variety of member situations. We expect you may want to make claims for losses relating to:

- Financial advice taken on the implementation of AFPS 15 and
- Tax advisor/tax accountancy fees

The types of evidence you could provide are outlined below (please note that this is not a full list and each claim will be reviewed on a case by case basis):

- Correspondence from a financial advisor that references the 2015 Pension reform.
- Receipts or invoices of payments for seeking financial or tax advice.

The next page outlines the process for submitting a compensation claim in detail.

Compensation Process

You can make a Compensation claim by filling out the 2015 Pension Remedy Contingent Decision/Compensation form (link is in Chapter 19 'Further Information'). **This must be sent to the email address on the form.**

You are required to submit evidence to support your compensation claim. This could include receipts, invoices or formal correspondence relating to your claim. **Claims that are not supported with evidence are likely to be rejected.**

All email submissions will receive an automated response. If your claim is:

ACCEPTED

If your claim is accepted, you will be notified by Shared Services Connected Ltd (SSCL) via email.

Your record will be updated and a compensation payment award will be processed.

REJECTED

If your claim is rejected, you will be notified by SSCL via email with further information.

Contingent Decisions

Introduction

The aim of the 2015 Pension Remedy is to put you back into the position you would have been in if the discrimination associated with the transitional protection arrangement had not happened. This is done by moving you back to the relevant legacy scheme for your remediable service and offering you a choice of either legacy or AFPS 15-style scheme benefits for the remedy period. All of this will be outlined in detail in your RSS, including how we will treat any additional elements such as divorce payments, added pension and more.

There may be circumstances where:

- o you would have made a different decision if AFPS 15, or the transitional protection arrangement, was not introduced, and
- o the impact of your decision is not properly addressed by the 2015 Pension Remedy.

In this case, you may wish to make a **Contingent Decision (CD)** claim. Whilst this claim can be submitted at any time, we strongly advise that you wait until you receive your first RSS as this will provide the necessary information to allow you to assess your position and quantify any claim. If your claim relates to a tax loss, you will also need information from HMRC.

Your Contingent Decision Claim

The MOD are not able to provide a comprehensive list of potential claims losses due to the variety of member situations. Examples where you may make a claim include:

- a. You took an offer to extend but now wish to leave on your original exit date.
- b. You had chosen to transfer (in or out), and now wish to revisit the decision.

Some examples of the types of evidence you could provide are outlined below (please note that this is not a full list and each claim will be reviewed on a case by case basis):

- a. Written evidence of a complaint about your discontent with the 2015 Pension reform, and how this links to the loss/decision about which you are claiming.
- b. Pension documents or correspondence (i.e. from financial advisors) relating to a decision you made due to the 2015 Pension reform.

Contingent Decisions Process

You can make a Contingent Decision claim by filling out the 2015 Pension Remedy Contingent Decision/Compensation form (link is in Chapter 19 'Further Information').
This must be sent to the email address on the form.

When making your CD claim, you must:

- Indicate if your issue is related to pensions or to your career.
- Be clear about the outcome that you want.
- Provide supporting evidence otherwise your claim may be rejected.

PROCESS

You will be notified if your claim has been accepted or rejected, and which team will be handling your case.

If your claim is rejected, you will be informed of the appeals process.

Different timescales apply to how different cases are handled.

Frequently Asked Questions

If you are considering making a Contingent Decision claim, please consider the following questions to help you make an effective claim.

1. What is a Contingent Decision?

A contingent decision is an umbrella term used to cover different types of redress that members may wish to seek if they feel the remedy does not adequately address the impact on their circumstances. The two broad categories of redress are direct financial compensation (including Part 4 tax loss), and employment related claims e.g. career choices and Terms and Conditions of Service (TACOS).

2. Does the remedy outlined in your RSS already address your issue?

Are you considering making a claim regarding a decision you took in response to the introduction of AFPS 15 which is not addressed in the 2015 Pension Remedy? There is a difference between something not being addressed in the remedy and disagreeing with the value of the remedy you are being offered. Please be clear about the outcome you want and provide evidence to support your claim.

3. Financial Claims - Have you received your RSS?

Your RSS outlines the value of the options available to you under the remedy. Depending on the nature of your claim, this will help you make a realistic assessment

of any gap between the remedy and the resolution you are seeking through the Contingent Decision process.

4. **Employment Related Claims: What evidence do I need?**

The relevant Service Complaints team will consider employment related claims.

Significant career decisions are unlikely to be made in relation to only one element of an employment package. In addition to pension, the Armed Forces 'offer' includes pay, allowances, subsidised food, accommodation and travel, training and career development, childcare and support for children's education. Please consider submitting a comparison of your **total reward** packages as evidence when making a career related claim.

Frequently Asked Questions (FAQs)

The 2015 Pension Remedy

1. Does the PSPJOA 2022 rectify the discrimination identified by the Court of Appeal?

Together with changes being made to tax regulations using the powers in the Finance Act 2022 and scheme regulations made under the Act, the PSPJOA will provide a remedy for all those affected by the discrimination identified by the Court of Appeal.

2. When will the pension changes be implemented and introduced?

The Government has legislated through the PSPJOA 22 to implement a deferred choice underpin within schemes. All eligible members will be treated equally and will be able to choose to receive pension scheme benefits from the relevant scheme(s) at the point benefits become payable. Where necessary, payments will be backdated.

The MOD made prospective regulations in 2022 to bring into effect the closure of all legacy schemes on 31 March 2022 and move members to the reformed scheme. These ensure members are placed on in equal position from this point onwards.

The MOD have also consulted on the retrospective scheme policy changes which will ensure that the detail necessary for the remedy to be implemented in each affected scheme is in place. The scheme regulations to underpin that policy took effect from 1 October 2023.

Scheme regulations will be used for the various purposes listed throughout the Act, including the process of making an election to receive pension benefits, for interest to be paid to a member or scheme on any amounts owed to or by the scheme, to make provision for members to receive remediable service statements and more.

Remediable Service Statement

3. 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 election.

4. What is the difference between an Annual RSS (information) and Election RSS (action)?

The purpose of an Annual RSS is to show you a breakdown of your relevant legacy and AFPS 15 style benefits that were accrued during the remedy period. This is for information purposes only and does not require any action. Active members will receive an RSS annually and deferred members may request this (free of charge) by writing to DBS.

An Election RSS also provides a breakdown of your legacy and AFPS 15 style benefits that were accrued during the remedy period. However, you will be required to take action by submitting an election within a specific time period (see [Chapter 2 'Retrospective Remedy: What to expect'](#), paragraph 3 for exact timeframes) of your RSS's issue date. The timeframe will also be outlined in the RSS letter.

5. How do I make an election?

You must confirm your election at the beginning of your Pension Benefit Claim Form (also known as Pension Form 1 or 8). You can find the Pension Benefit Claim Form as follows:

- Active members should complete Pension Form 1.
- Deferred members should complete Pension Form 8.
- Immediate Choice member and EDM's will receive an election form with their RSS.

You will need to submit the relevant form as a hard copy to DBS, mailbox 380. Links to the pension form and their contact details can be found in [Chapter 19 'Further Information'](#).

6. When will I receive my RSS?

Due to technical challenges, we now anticipate that all members will have received an RSS by 30 September 2025. This is later than the original planned date of 1 April 2025. Some cohorts such as pensioner members, imminent leavers and their representatives will be prioritised. This is because their pension is (or will be) in payment or due to come in to payment shortly.

7. What happens if I don't make an election?

The default position where no choice is made, is to pay legacy scheme benefits for the remedy period, so it is important that you make your choice on your pension benefit claim form by the deadline. If a default election occurs, it is final and cannot be reversed.

8. What should I do if the information in the RSS is incorrect?

Please contact the DBS immediately and quote the reference number in your RSS. Contact details are available in [Chapter 19 'Further Information'](#).

Pension Benefits

9. If I retire before 1 October 2023, what pension benefits will I receive?

If you retired before the retrospective remedy was implemented, you will initially receive benefits from your current scheme. You will receive your RSS as soon as practicable which will offer you an election between your legacy and AFPS 15 style benefits for the remedy period. If your election choice results in any change to your benefits, this will be backdated to when your benefits became payable.

10. What are the differences between the legacy and AFPS 15 scheme?

The main differences between the legacy and AFPS 15 scheme is the change to career-average pension schemes (AFPS 15) from final salary (legacy) and an increase in normal pension age. The change to career-average means members' pensions are now calculated on their average salary throughout their career rather than their final salary, which is a fairer approach, particularly for lower income earners.

11. Why is the MOD asking members to choose between their legacy and reformed pension scheme? Aren't all members better off in the legacy schemes?

The MOD are unable to extend transitional protection to all members by placing all members into their legacy scheme without allowing them to assess their reformed scheme benefits. Therefore, members will be provided with an RSS unique to their personal circumstances, so that they may choose the benefits most suitable for them.

Further Information

Pension Toolkits

Calculator

The Armed Forces Pension Calculator includes a projection of benefits from the AFPS. It has been designed for active regular and reserve personnel. The calculator link and further guidance is available below:

- [Armed Forces Pension Calculator](#)
- [AFPS Calculator step-by-step guide](#) (YouTube video)

Please note that the calculator is for illustrative purposes only and should not be used as financial advice or for retirement planning.

The 2015 Pension Remedy

The QR Code below will provide you with the relevant documents relating to the 2015 Pension Remedy in one place.



Figure 9: QR Code for the Armed Forces Pensions page.

Your Armed Forces Pension Scheme

The links below provide you with further information about your relevant pension scheme:

- [Armed Forces Pension Scheme 1975](#)
- [Full-Time Reserve Service 1997](#)
- [Armed Forces Pension Scheme 2005](#)
- [Reserve Forces Pension Scheme 2005](#)
- [Non Regular Permanent Staff 2011](#)
- [Armed Forces Pension Scheme 2015](#)

Supporting documents on specific policy areas

The following links are for specific communications relating to pension benefits or policies:

- [Tax: Annual Allowance, Lifetime Allowance and Income Tax booklet](#)
- [Member Voluntary Contribution Factsheet](#)
- [The 2015 Pension Remedy DIN](#)

Pension Forms

The AFPS Pensions forms can be found under the [Veterans' UK Armed Forces pension and insurance declaration forms](#). All forms must be sent to JPAC by post (the address can be found [here](#)). A summary of the forms is below:

Pension Form	Form Type
1	Armed Forces Pension Application Form If eligible, please complete this form if you are eligible and need to apply for an Armed Forces Pension
3	Allocation of Pension If eligible, please complete this form if you wish to allocate a portion of your pension to a dependant.
3A	Allocation of Pension Continuation Sheet If eligible, please complete this form if you wish to allocate a portion of your pension to a dependant or to remove an existing dependant.
6	Added Pension Quotation Application This form is for an AFPS 15 Added Pension quote.
6A	AFPS 15 Added Pension Purchase/Cancellation This form to purchase/cancel AFPS 15 Added Pension.
6R	AFPS 15 Remedy Added Pension Quote This form will be provided with compensation refunds to enable members to obtain a quote if they wish to re-invest in AFPS 15.
8	AFPS Deferred Pension Application If eligible, please complete this form if you want to claim your deferred pension payment.
8A	Claim for Payment of Former Spouse Pension Credit If eligible, please complete this form if you want to claim for a former spouse pension credit payment.
9	Commutation Options If eligible, please complete this form to commute/inversely commute your pension.
12	Active Serving Pension Forecast Request If eligible, please complete this form if you want to request a pension forecast.
14	Out of Service Deferred Pension Forecast

	If eligible, please complete this form if you would like a preserve (i.e. deferred) pension forecast.
16	Opting in/out of the AFPS If eligible, please complete this form if you wish to opt out of or opt back in to your Armed Forces Pension Scheme
17	Scheme pays notification of final decision If eligible, please complete this form if you want DBS to pay part/all your tax charge to HMRC.
18	Former Spouse Pension Credit Forecast If eligible, please complete this form if you want to request a former spouse pension credit forecast.
20	Request for Former Spouse Pension Attachment/Earmarking Order Payment If you are a former spouse, please complete this form to claim payment of sums due under a pension earmarking or attachment order.
n/a	2015 Pension Remedy Contingent Decision/Compensation form If you wish to make a Contingent Decision or Compensation form in relation to 2015 Pension Remedy, please submit this to the email address in the form. Link: 2015 Pension Remedy Contingent Decision/Compensation form

Table 8: A breakdown of pension forms available to members.

Points of Contact

This section will provide you with the relevant points of contact depending on what information you are looking for, or what you would like to do. Please see the tables below:

Queries

Information	Source
<p>If you have a query about the basic assessment, award, payment and maintenance of all the AFPS</p>	<p>Please contact DBS via post, telephone or email.</p> <p><u>Address</u> Joint Personnel Administrative Centre (JPAC), Mail Point 380, Kentigern House, 65 Brown Street, Glasgow, G2 8EX</p> <p><u>Telephone:</u></p> <ul style="list-style-type: none"> ○ Civilian: 0800 085 3600 ○ Military: 94560 3600 ○ Overseas: 0044 141 224 3600 <p><u>Email</u> DBS-JPAC-PMC@dbspv.mod.uk</p>

Table 9: Contact details for members who would like to make an enquiry.

Dispute Resolution

Information	Source
<p>If you are not satisfied with how your AFPS membership has been dealt with (e.g. maladministration) and would like to make a formal complaint or enquiry</p>	<p>Please contact DBS via post, telephone or email, and follow the Internal Dispute Resolution Procedure.</p> <p><u>Address</u> Armed Forces Pension Schemes Manager, DBS, Mail Point 610, Kentigern House, 65 Brown Street, Glasgow, G2 8EX</p> <p><u>Email</u> dbs-afpsi-authority@mod.gov.uk</p> <p><u>Procedure</u></p>

	<p>To make a complaint, you will need to provide your full name, service number, NI number, address, telephone number and email. You must provide as much evidence as possible. DBS will aim to provide you with a response within 60 working days. Please note that IDRPs do not cover pay or employment issues, or non-pension scheme related benefit issues.</p> <p>Further information, including FAQs, are provided in the Veterans UK IDRPs Factsheet.</p>
<p>If you (or your dependants) are looking for advice or to resolve difficulties at any stage during an IDRPs process</p>	<p>Please contact the Money and Pensions Service (previously known as The Pensions Advisory Service (TPAS)) via post or telephone. Please note that you must have made a complaint via DBS to qualify to speak with an advisor.</p> <p><u>Address</u> The Pensions Advisory Service, 120 Holborn, London, EC1N 2TD</p> <p><u>Telephone</u> 0800 011 3797</p>
<p>If you have a pensions complaint, have exhausted the Internal Dispute Resolution Process and are not content with the outcome, you may approach the Ombudsman.</p>	<p>Please contact the Pensions Ombudsman via post, telephone or email.</p> <p><u>Address</u> The Office of the Pensions Ombudsman, 10 South Colonnade, Canary Wharf, London, E14 4PU</p> <p><u>Telephone</u> 0800 917 4487</p> <p><u>Email</u> enquiries@pensions-ombudsman.org.uk</p>
<p>If you would like an independent party to intervene where you</p>	<p>Please contact The Pensions Regulator via post, telephone or email.</p>

<p>feel the management of an AFPS has failed to comply with the law you may wish to contact the Pensions Regulator.</p>	<p><u>Address</u> The Pensions Regulator, Napier House, Trafalgar Place, Brighton, BN1 4DW</p> <p><u>Telephone</u> Pensions Helpline</p> <ul style="list-style-type: none"> ○ UK: 0800 011 3797 ○ Overseas: 0207 932 5780 <p>Pension Wise Appointment</p> <ul style="list-style-type: none"> ○ UK: 0800 138 3944 ○ Overseas: 0203 733 3495 <p><u>Email</u> customersupport@thepensionsregulator.gov.uk contact.pensionwise@moneyhelper.org.uk</p>
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Table 10: Contact details for members for dispute resolution.

Veteran Charities and Organisations

Information	Source
<p>If you (or your dependants) choose to appeal against a decision made on your pension benefits, or seek general advice on pension matters</p>	<p>Please contact the Forces Pension Society via post, telephone or email.</p> <p><u>Address</u> Forces Pension Society 68 South Lambeth Road London SW8 1RL</p> <p><u>Telephone</u> 0207 820 9988</p> <p><u>Email</u> memsec@forpen.co.uk</p>
<p>If you would like free independent support and advice for matters relating to pensions,</p>	<p>Please contact the White Ensign Association via post, telephone or email.</p>

<p>at no cost – open to all serving and retired</p>	<p><u>Address</u> The White Ensign Association HMS Belfast Tooley Street London SE1 2JH</p> <p><u>Telephone</u> 07384575598</p> <p><u>Email</u> office@whiteensign.co.uk</p>
<p>If you are based in England, and you (or your dependants) would like to seek advice on pensions and welfare matters:</p>	<p>Please contact The Royal British Legion via post, telephone or email.</p> <p><u>Address</u> 199 Borough High Street London SE1 1AA</p> <p><u>Telephone</u> 0845 7725725</p> <p><u>Email</u> pensions@britishlegion.org.uk</p>
<p>If you are based in Scotland, and you (or your dependants) would like to seek advice on pensions and welfare matters:</p>	<p>Please contact The Royal British Legion Scotland by post, telephone or email.</p> <p><u>Address</u> New Haig House Logie Green Road Edinburgh EH7 4HQ</p> <p><u>Telephone</u></p> <ul style="list-style-type: none"> ○ General queries: 0131 322 1076 ○ Account/Finance queries: 0131 550 1548 ○ Disablement Pensions queries: 0131 550 1566 <p><u>Email</u> Info@LegionScotland.org.uk</p>

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Table 11: Contact details for members seeking independent support.

Glossary

Abatement	This occurs when your pension is suspended/reduced so that you do not earn more pension and new salary than the value earned on the last day of your previous service. Abatement only applies to legacy pension schemes, not AFPS 15.
Accrued	This means pension benefits that have been built up to a particular date.
Active Member	This is a member who is currently serving in the Armed Forces and accruing benefits under a pension scheme.
Actuarial Reduction	This is when a reduction is applied to your pension so that this offsets any extra costs or changes that may occur due to the payment of that pension. In this context, it relates to the earlier payment of that pension.
Added Pension	This is a pension benefit available only in AFPS 15, where you can buy more pension to increase your pension pot.
Additional Reckonable Service	This is a pension benefit available only in AFPS 75/05, where a member can make a contribution to buy extra years of service to reckon when their (or their dependants) final pension, lump sum is calculated. This is also known as 'Added Years'.
Additional Voluntary Contribution (AVC)	This is an enhanced pension arrangement only available under AFPS 75. Please review Chapter 8 'Member Voluntary Contributions' for more information.
Armed Forces Attributable Benefits Scheme (AFAB)	If your injury or illness happened whilst you were in service before 6 April 2005, and you are eligible for WPS (see below), you may receive compensation under AFAB.
Armed Forces Pension Scheme 2015 (AFPS 15)	Since 1 April 2022 AFPS 15 is the only pension scheme available to Regular and Reserve forces personnel. It is also the only scheme for those who joined the Armed Forces since 1 April 2012 and are not eligible for the remedy. . This is also called the 'reformed' scheme.
Aggregate	This is where you can, subject to conditions, join two periods of pensionable service from some legacy scheme/s you are a member of together so that they count as 'one' period.
Alternate benefits	Alternate benefits are payable to you if you opt to change your current benefits. For example, if you are in receipt of legacy pension benefits the 'alternate benefits' would be AFPS 15 style benefits.



Annual Allowance (AA)	This is the limit on how much can be added to the member's pension amount in each tax year without being charged tax. When the total pension growth is added together, the added amount should not exceed the Annual Allowance, otherwise the member may be subject to an AA tax charge.
Beneficiary	This is someone who benefits from a pension when the member dies.
Career Average Revalued Earnings (CARE)	A CARE pension is calculated according to your average earnings over your career. AFPS 15 is a CARE scheme. Each year, 1/47 th of your annual salary goes towards your pension.
Cash Equivalent Transfer Value (CETV)	This is when your total pension pot is equated to a 'cash value' so that you can buy the equivalent amount of benefits in the scheme you transfer into.
Club Transfer	The Public Sector Transfer Club allows employees to move their pensions from one employer to the other more easily.
Commutation	This is when a member gives up part of the pension income in return for a tax-free lump sum.
Compound Interest	This is calculated on the principal amount and the accumulated interest over the period.
Continuity of Service	This means treating members as 'active members' under both their legacy and AFPS 15 scheme, whilst they are in pensionable service under AFPS 15. When discharged, they will be paid legacy benefits as if they are an active member of the scheme, and not deferred.
Current Benefits	Any benefits that are in payment to you or were awarded on discharge from the Armed Forces. These could include regular, ongoing monthly payments as well as any lump-sums you have already received.
Deferred Choice	This refers to the election made by active members, deferred members and representatives of deceased members at the point when pension benefits, including Early Departure Payments, are due to come into payment.
Deferred Pension	If the member has invested in a pension scheme but leaves service before they reach their Normal Pension Age (see NPA definition below), they can claim a deferred pension.
Deferred Pension Age (DPA)	This is the age where the pension is payable if the member leaves regular service without an immediate pension in payment. For AFPS 75 this is Age 60 for service prior to 6 Apr 06 and age 65 for service on or after 6 April 2006. For AFPS 05 it is age 65, for AFPS 15 State Pension Age.
Dependants	They are a member's spouse, civil partner, eligible partner or eligible children.

Early Departure Payment (EDP)	You may be eligible for EDP if you have a minimum of 18 years (20 years under AFPS 15) qualifying service and are at least 40 years old. This payment is made until the member's pension becomes payable. There are two schemes: EDP 05 and EDP 15.
Election	This means 'making your choice' and applies when you receive your RSS.
Election Period	The timeframe in which members must make their remedy election.
Eligible member (or in-scope member)	2015 Pension Remedy applies only to members who were in public service on or before 31 March 2012, and on or after 1 April 2015, including those with a gap in service of no more than 5 years. These members are considered 'eligible' for remedy.
Full Protection members	These members were able to remain in their legacy scheme when the 2015 Pension reform were introduced (i.e. they did not move to AFPS 15).
Ill-health Pension	This is a pension that is awarded where a member is medically discharged from the Armed Forces. The award amount depends on the severity of illness or injury.
Immediate Choice	This means the election made by members/representatives of deceased members who had benefits in payment before 1 October 2023.
Immediate Pension	It is pension that is paid immediately when leaving the Armed Forces with 16 years (Officer) or 22 (Other Rank) of reckonable service. This applies to members under AFPS 75, AFPS 05 and AFPS 15 only.
Imminent leavers	A member leaving the service with benefits in payment within 9 months of 1 October 2023.
Indexation	The annual increase in pension value in line with inflation.
Inverse Commutation	This is a pension benefit that is only available in AFPS 05, RFPS 05, EDP 15 and AFPS 15. This is when a member exchanges their tax-free pension lump sum to increase their taxable pension.
Lifetime Allowance (LTA)	LTA was abolished in Spring 2023. It was the limit on total pensions that is eligible for tax relief.
Legacy scheme	These are the schemes that existed before AFPS 15 was introduced, which members may have been part of. These are: AFPS 75, AFPS 05, FTRS 75, RFPS 05 and NRPS 11.
Member Voluntary Contributions (MVCs)	In the AFPS 15, 05 and 75, members have the option to increase their benefits through voluntary contributions. This includes Added Pension, Added Years and

	Additional Voluntary Contributions. Please read the Member Voluntary Contributions Factsheet for more information.
Normal Pension Age (NPA)	Age 60 in AFPS 15, and age 55 in AFPS 75/05.
Opting out	The choice to not become a member of an AFPS, or to leave the scheme, if already a member. These SP are 'opted-out members.'
Pension Attachment Order (PAO)	A court order instructing the Scheme managers to pay all or part of a pension in payment to a member's spouse or civil partner as part of a divorce settlement.
Pension Credit	The rights one person is given to a share in a member's pension (usually due to a Pension Sharing Order).
Pension Debit	The reduction of a scheme member's pension rights by a certain percentage as a result of a Pension Sharing Order.
Pension Commencement Lump Sum	A one-off automatic lump sum (normally tax free) applicable to legacy schemes equal to three times the annual pension awarded. The pension commencement lump sum is paid in addition to the pension when pension first comes into payment.
Pension Sharing Order (PSO)	A Court Order made on divorce or dissolution of a civil partnership. It creates pension benefits for a former spouse or civil partner, and they become a member of the Scheme in their own right.
Pensionable Service	Service considered eligible for pension.
Pensioner member	Someone who is receiving pension benefits from their Scheme/s.
Prospective Remedy	On 1 April 2022, the prospective remedy saw all serving service personnel move to AFPS 15. From 31 March 2022, all legacy schemes were closed to further pension accrual. This was the first of two stages to remedy the discrimination associated with the 2015 Pension Remedy.
Qualifying Service	The period of service which contributes towards pension. There are scheme specific definitions of what constitutes qualifying service. There are also specific periods which do not count towards qualifying service, such as unpaid leave, detention, or Service where an individual has opted out of the pension scheme.
Receiving Scheme	A new scheme to which you want to transfer your pension. It will be 'receiving' your CETV from your old scheme.
Reckonable Service	Reckonable service is paid service which is used to calculate the amount of pension, and this varies between schemes:

	<p>AFPS 05 - this starts from the first day of full paid Service and may not exceed 40 years. For those who transferred to AFPS 05 as a result of the Offer to Transfer, their Service under AFPS 75 will count towards reckonable service.</p> <p>AFPS 75 – this is every period of service as an officer from the age of 21, or other ranks from age 18 for which the member received pensionable earnings. The maximum reckonable service is 34 years for an officer and 37 years for other ranks.</p>
Reformed Scheme	This refers to the Armed Forces Pension Scheme 2015 (AFPS 15) and Early Departure Payment 2015 (EDP 15).
Remediable Service	Any pensionable service that occurs in the remedy period, between 1 April 2015 and 31 March 2022, and which meets the criteria set out in the Act.
Remediable Service Statement (RSS)	A statement that provides members with an overview of their legacy and AFPS 15 style benefits accrued during the remedy period. This will help you make your election.
Remedy Period	1 April 2015 to 31 March 2022, the period during which discrimination occurred.
Resettlement Commutation	Only available to AFPS 75 members who leave with an immediate pension and are under the age of 55. They receive an additional lump sum and pay for it by a reduction in annual pension which is restored to full value at age 55.
Retrospective Remedy	On 1 October 2023, all members were rolled back to their relevant legacy scheme. They will be given the opportunity to choose which pension benefits (legacy or AFPS 15 style) they would like to receive for the remedy period.
Roll back	This term is used to describe the process where in-scope members were rolled back into their relevant legacy pension scheme(s) for the remedy period (1 April 2015 – 31 March 2022), on 1 October 2023.
Scheme manager	The scheme manager is Defence Business Service (DBS), part of the MOD.
Sending Scheme	This means the old scheme that you are due to transfer out of. They will be 'sending'/transferring your CETV to your new scheme.
Simple Interest	Simple interest is calculated on the original amount.
Transitional Protection arrangement	The (unlawful) arrangement made when the 2015 Pension Reforms were introduced, allowing members who were within 10 years of retirement to remain in their legacy scheme whilst all other members were moved to AFPS 15.
Transfer Value	The value of the member's pension benefits, expressed as a sum of money when a member requests to transfer between two pension schemes.



Transition member	A member with pensionable service in a legacy scheme and who is also in pensionable service under the AFPS 15. Unless the member also has continuity of service, the member’s legacy pension remains deferred and is not linked with their new service in AFPS 15.
War Pension Scheme (WPS)	The WPS may pay benefits to an individual when they have left the Armed Forces where an injury, illness or death was caused, made worse or hastened by service in the Armed Forces before 6 April 2005.
<i>Table 12: Key terms for members relating to the 2015 Pension Remedy</i>	