

ANNUAL REPORT 2023-24

for the year ended 31 March 2024

**To the Minister for Defence People & Veterans on
the Armed Forces Pension Schemes**

Lisa McCrory

Char, Armed Forces Pension Board

Executive Summary

Welcome to this ninth annual report on the Armed Forces Pension Schemes (AFPS).

I am pleased to report that we have continued to build on existing strong foundations as the body charged with assisting the Scheme Manager in administering the schemes, or in laymen's terms, assisting with the oversight and governance of the Armed Forces Pension Schemes.

This year has seen the 2015 Pension Remedy (McCloud) enter the retrospective remedy stage addressing the past discrimination from the way reformed public sector pension schemes were introduced in 2015. Defence Business Services (DBS) and their contractor Shared Services Connected Ltd (SSCL) have invested significant time and resources into ensuring that processes were in place for Remediable Service Statements (RSS) to be issued for members to make their choice of which benefits they receive for the Remedy period.

The technical complexities of the 2015 Remedy and other priority areas of work has at times caused difficulties for our administrator to be fully resourced to handle these complicated areas of work. The board continues to monitor performance as part of its responsibility for the effective and efficient governance of the AFPS. The Pension Board also continues to closely monitor the delay to digital transformation and the frustrations this can cause for scheme members.

DBS and SSCL continue with efforts to streamline the process for members, including introducing 6 new digital forms via the PowerApps platform. These forms remove the need for serving personnel to print and post physical forms. Members benefit from a quicker response time, receiving their forecast or confirmation of change directly to their MODNET email account. Further work is going on behind the scenes in preparation of transition to a new pensions software system that will, once introduced, be capable of providing robust single platform technology to allow for more efficient, member centric servicing.

Since coming on board as Chair in February 2024, I have been truly impressed by the dedication and hard work exhibited by everyone involved in the pension scheme. This commitment has meant we are able to continue to ensure good outcomes for members. I would like to extend my sincere appreciation to my fellow Board members for the support they have given me and for their continued dedication to putting member's best interests at the heart of what we do.

My report provides much more detail on the successes and challenges over the year, however in summary, it shows service levels have been maintained whilst navigating the complexities of large-scale change. Whilst significant progress has been made, it is important to acknowledge that there is still significant work needed to bring these important pieces of work to a close. Although some delays in expected delivery timescales are now expected, the Board is reassured that this should ensure that the change is delivered to the required standards and without compromising the ongoing service provided to members.

Looking to the year ahead, I anticipate that our primary focus will remain on successfully implementing the transformation to digitalisation, completing the Remedy project and getting ready to connect to the Pensions Dashboard infrastructure. I am optimistic that our member-centric approach will continue to add value to these important initiatives whilst also building on previous successes in improving the governance and administration of the scheme.

Introduction

1. Lord Hutton's Independent Public Service Pensions Commission (IPSPC) Report in 2011 outlined key recommendations for the reform of all public service pension schemes. This led to the Public Services Pension Act 2013 (PSPA 13), and Scheme specific secondary legislation under the Armed Forces Pension Scheme 2015 (AFPS 15). The new pension schemes system has now been operating in the public sector for **nine** years.
2. Lord Hutton's overarching principles were that public service employees and taxpayers should expect public service pensions to be:
 - designed to protect the taxpayer from rising costs, through a 'cost cap' mechanism;
 - fair and sustainable for future generations, with elements protected for a period of time (such as the extent to which the pension is on a career average (i.e. not a final salary) pension scheme, or members' contribution rates); and
 - subject to better governance and greater transparency for members. For the Armed Forces, this was through the establishment of a Pensions Board to ensure member interests are protected, and more recently with the Pensions Regulator providing independent oversight of all schemes.
3. AFPS 15 is a Career Average Re-valued Earnings pension scheme which replaced the earlier final salary scheme, AFPS 05. It is a non-contributory, defined benefit scheme which has been designed in accordance with the PSPA 13 and was launched on 1 April 2015. AFPS 15 increased the normal pension age from 55 to 60 and linked the deferred pension age to the State Pension age. It retained the Early Departure Payment (an income stream and tax-free lump sum designed to compensate individuals for the early age at which they leave the Armed Forces), ill-health benefits and dependents' benefits schemes. AFPS 15 is the only open scheme for members of the Armed Forces.
4. There are two main legacy pension schemes for members of the regular Armed Forces: The Armed Forces Pension Scheme 1975 (AFPS 75), which closed to new entrants on 6 April 2005; and the Armed Forces Pension Scheme 2005 (AFPS 05), which was introduced thereafter and closed to new recruits on 31 March 2015. Further pre-AFPS 15 schemes still exist; therefore, management and oversight of the current pensions systems remains complex.
Fuller details can be found at: <https://www.gov.uk/government/publications/armed-forces-and-reserve-forces-pension-schemes-guidance-booklets>

Pension Governance

5. Lord Hutton's report identified a perceived separation between those responsible for the governance of public service pension schemes and those delivering the benefits. Additionally, he highlighted a lack of member involvement in the analysis and decision-making process. The PSPA 13 introduced a framework designed to ensure better governance and greater transparency, including the oversight of all public service pension schemes by the Pensions Regulator, (tPR). The PSPA 13 mandated a formal Governance Structure specifically for Public Service pensions, with two new roles and two new boards. I believe the Pension Board continues to adequately meet the aspirations of the Hutton Report and the legislative environment we now operate in.

6. Roles:

- The Responsible Authority
 - i. The PSPA 13 specifies that the Secretary of State for Defence (S of S) must be the Responsible Authority. The Responsible Authority has the power to make and amend Scheme Regulations.
- The Scheme Manager
 - i. The Scheme Manager is responsible for managing and administering the AFPS. S of S appointed themselves the Scheme Manager but delegated the management of the AFPS to two Boards. Whilst authority is delegated, overall responsibility remains with the Scheme Manager.

7. Boards:

- Scheme Advisory Board
 - i. The Scheme Advisory Board has responsibility for providing advice on the desirability of changes to the schemes when required to do so by the Responsible Authority. Chaired by the Permanent Under Secretary, the Scheme Advisory Board will only be required to make decisions on major changes to the scheme design, and as such, it sits by exception. It has authority to make recommendations to the S of S on major changes to the Scheme rules and is advised, amongst others, by the Pension Board and HM Treasury. The Chair of the Pension Board is a member of the Scheme Advisory Board.
- Pension Board
 - i. The Pension Board was borne out of the PSPA 13, following the mandate for a governance structure specific to public service pensions. The Board is responsible for assisting the Scheme Manager in complying with scheme regulations and other legislation relating to governance and administration, as well as any requirements imposed by the Pension Regulator. Lisa McCrory was appointed for a three-year term in February 2024 as the Non-Executive chair of the Pension Board and member of the Scheme Advisory Board above, succeeding Robert Branagh who had chaired the Pension Board since 2015.

8. The AFPS is supported by Defence Business Services (DBS). DBS have delegated authority to deliver pension administration through a contractual arrangement covered later in this report. This arrangement includes agreement on governance, audit, and pension reporting. Specific groups, such as the Audit, Risk & Assurance Committee (ARAC), have been established to provide objective advice and support in the areas of risk, control, governance process and associated assurances. The following measures support this governance:

- SSCL Q&A team carry out 100% check on all awards going into payment.
- SSCL administer a programme of Internal Assurance reviews of pension processes, awards and calculations. Quarterly reports detail the checks undertaken, detailing findings and corrective action taken.
- Monthly checks carried out by Contract Performance Monitoring Team (CPMT), previously 75 checks per month, now 100. CPMT conduct a rolling programme of assurance checks that changes every 3 months. CPMT also administer the Contract

Performance Notice process that is utilised in response to a breach or non-conformance of a contractual performance target. Where a CPN is raised it will be managed through the Monthly Service Delivery Working Group (SDWG) with updates provided by both DBS and SSCL.

- Monthly checks carried out by Armed Forces Pension Scheme (AFPS) Assurance Team (AT) on awards made by both the contractor and MOD Authority staff, with additional targeted checks on areas identified as potential areas of risk, averaging 124 checks per month. Also conducted some Data Assurance checks on 395 records.
- Annual programme of checks carried out by the Government Internal Audit Agency (GIAA) (formerly DIA), at least four per year.
- Annual checks by the National Audit Office (NAO).

9. Overall governance arrangements, and that of day-to-day management control, are in place and effective. During 2023-24 a Limited Assurance was awarded for Early Payment of Preserved Pensions (EPPP) audit and a Moderate Assurance was awarded for SSCL Communication / Oversight of Pension Payments. Substantial Assurances were awarded for Finance Core Operations - Armed Forces Compensation Scheme (AFCS) Warrant Process and Review of Armed Forces Pension Scheme - Apply External Legislative & Process Change. Taking the results of the audits alongside other assurance measures, GIAA awarding AFPS an overall Moderate Assurance for 2023-24.

10. I am pleased to report that the 2023-24 Armed Forces Pension Scheme financial statement was certified by the Controller and Auditor General with an unqualified audit opinion without modification. As Chair of the Pensions Board, I have a standing invitation to and regularly attend the DBS Audit Risk and Assurance Committee where the accounts and wider scheme assurance are currently monitored and overseen.

11. We continue to deliver on all three main schemes, AFPS 15, AFPS 75 and AFPS 05.

The Pension Board

Membership

12. There are currently 15 members (including the Chair) of the Pension Board, and a small number of attendees are invited in an advisory capacity. The make-up of the Pension Board has been maintained to ensure the interest of the Scheme's beneficiaries and stakeholders are represented, with seven employee representative and seven employer representatives. Details on the composition of the Pension Board (along with the Terms of Reference) are at Annex B

Financial Cost

13. There is a direct cost in running the Pension Board, ranging from fees for the Non-Executive Chair, training, and development for Pension Board members, to travel and subsistence costs for those attending Board business. A breakdown can be found below:

Direct Costs 2023/2024 (Approx.) Cost:

Non-Executive Chair	£ 10,061
Training and development	£ 0
Travel and subsistence costs	£ 0
Total	<u>£ 10,061</u>

Meeting Attendance & Training

14. During the period, the Pension Board has met three times. The Pension Board is committed to complying with the statutory duty of monitoring its training needs to ensure a better understanding of Armed Forces Pension Schemes. Training and continuous learning and development are key elements to this, aiding the effectiveness of the Board. Consequently, all Pension Board members have completed the Pension Regulator Public Service Toolkit, which provide the foundations for a stronger understanding of pensions to allow them to appropriately discharge their responsibilities as a Board. A record of training undertaken by Board members sits at Annex C.

Conflicts of Interest

15. No conflicts of Interest have been declared in the year.

Government Internal Audit Agency (GIAA) & The Pension Board

16. With effect from April 2023, the Defence Internal Audit (DIA) team transferred to GIAA to help with assurance and insight across the government. AFPS will continue to support the work of GIAA in the same way.
17. As set out in paragraph ten, GIAA undertake a number of audits each year to assist with the overall scheme governance and assurance. GIAA is responsible for providing the Permanent Under-Secretary and Defence Audit Committee with an independent, objective assurance on the effectiveness of MOD's systems of governance, risk management and internal control.

Pension Board Areas of Interest

Since its inception, the Pension Board has concentrated on several areas, principally:

Review of Defence Business Services' Performance

18. Key performance indicators (KPIs) are used to monitor the performance of Defence Business Services. This is to ensure appropriate service delivery for all pension scheme members. In addition to monitoring routine administration, we continue to monitor other professional advisors, such as the Government's Actuary Department (GAD).
19. In addition, the AFPS Authority Assurance team continue to assure routine aspects of pension administration. During the scheme year, the team quality assured 1,880 awards, focusing on the following areas:

AFPS Internal Case Work Assurance	557
AFPS Q&A	641

Equiniti Paymaster reconciliations	51
Targeted Checks	236
Data Assurance	395
Total	1,880

Source: AFPS Assurance

Communication with Members

20. The Pension Board continues to monitor closely the development of this important area of business. Communicating pension information to members is a key element of any pension scheme and we know this has a clear impact on morale and retention of Service Personnel.
21. The scheme continues to utilise various communications methods to inform members about changes and alleviate demand on the Operational Teams. The Pension Board are actively involved with all Communications aspects.
22. Throughout this reporting year there has been many milestones that were managed with carefully planned communications, including an update to the Armed Forces Pension Calculator (AFPC). The update to the calculator was significant, and allowed members affected by the 2015 Remedy to view their alternative benefits for the 2015 Pension Remedy. This milestone was eagerly anticipated by many service personnel and a range of communications methods, including an explanatory video and a comprehensive user guide were produced to ensure that interested personnel were kept informed of the progress and how to utilise the various enhancements.
23. Similarly, there has been substantial change to the tax rules concerned with pensions and scheme stakeholders have collaborated to refresh and bolster the comprehensive guidance in this area. Step-by-step guidance is available on gov.uk to assist service personnel understand how to calculate if they are liable for a tax charge and the steps they must take.
24. Continued membership of the AFPS Communications Working Group has ensured we maintain strong stakeholder relationships between DBS, REM, the Single Services, Forces Pension Society (FPS) and other relevant third sector parties to aid in aligned key messaging and objectives in support of all AFPS Communications.
25. There are several internet platforms that are used to communicate information about Armed Forces Pensions. One of the most frequently used platforms is the MOD YouTube channel which (as of October 2024) has 41.5k subscribers. The AFPS have a number of playlists hosted on this account, with playlists including the Gurkha Pension Scheme; The 2015 Pension Remedy and an overview of AFPS 15.
26. The main source of information on AFPS online is the Armed Forces Pensions page on gov.uk. Between 1 April 2023 – 31 March 2024 the gov.uk page received a total of 267,200 visits and averaged 22,266 visits per month. Key messages are often amplified using the Chief of Defence People (CDP) X account (formally Twitter) that has 12.6k followers (as of October 2024). Serving personnel are targeted with important information through various communication channels on MODNET. Announcements on DefNet are used to inform personnel of changes or actions that they are required to take. Defence Instructions and

Notices (DIN)s are utilised to provide more technical information to service personnel on areas that can be quite complex.

27. During the year, we continued to utilise a Pension Communications Working Group, that sits under the governance structure of the Pensions Board. In addition to fulfilling legislative requirements. The Working Group considers three distinct areas of interest on behalf of members:

- Aiding in the improvement of communications laid down by regulation;
- Aiding in the improvement of communications that increase the understanding that Service Personnel and Veterans have of their pensions; and
- Supporting the Ministry of Defence to enable effective and efficient scheme administration.

The scheme has issued four editions of the AFPS Quarterly Digest within the year, focusing on a range of topics from 2015 Remedy to Veteran's Welfare Services. The Quarterly Digest continues to be the most useful way for administrators to share important pensions information with members and, crucially, increases engagement between the scheme and its members.

Risk & Assurance

28. In addition to the work of the Pension Board, the chair of the Pension Board attends the DBS Audit, Risk & Assurance Committee (ARAC) meetings. As I took up this role towards the end of the reporting year, it was my predecessor who attended the ARAC meetings for the 2023-24 reporting period, with my first meeting taking place in June 2024. Attending the ARAC allows the chair of the Pension Board to contribute to the assurance oversight of the Schemes via that forum. In linking the Pensions Board with ARAC, we can benefit from work undertaken by Government Internal Audit Agency and National Audit Office activity. This in turn builds on the existing internal controls and assurance activities performed by DBS and MOD, supported by the Internal Contract Performance Monitoring Team (CPMT) and the dedicated AFPS Assurance Team. I am satisfied with the coverage of this assurance activity. Further to this, the Board does consider 'risk awareness' to ensure process and protocol (with respect to risks surrounding the AFPS) are considered appropriately.

Forward view of the Pension Board Programme

29. As the Board increases its capability in challenging and providing overview on pensions, the breadth of topics and issues under consideration has increased proportionately. The Board operates a process of continuous reassessment of the current and future landscape and understanding that prioritisation is key. Our priorities remain those that are legal and mandated, followed by those deliverables that are assessed as providing the greatest opportunity to benefit our members. It also remains important that new Board members are quickly brought up to speed through our formal training and wider informal briefings. Using our collective knowledge, we identify emerging issues and create a forward plan. Further details of the topics covered by the Pension Board this year are available at Annex D. This will be reviewed regularly to ensure we are still balancing opportunities with risk but compliance with tPR's requirements, assurance and member communications will be our main areas to evolve and refine going forward. These remain particularly relevant given the transition to a new pensions software system and the associated transformation of service programme that will follow to deliver the technology step change we aspire to.

30. The Armed Forces Pension Scheme continue to face ongoing challenges to deliver pensions accurately and on time; to answer queries sympathetically and fairly; to respond with agility to changes in the pension's world and to present our activity to those regulating us. Good progress is being made but I am conscious of the challenges that we face.
31. Work continues with DBS and SSCL to improve services for members and further embrace digital technology to improve the operation of the pension scheme. This is an important step in improving the service we provide to our members and will provide the gateway to providing other improvements to the service provided. This is a complex and large-scale change project, and its timing coincides with the Remedy project and connection to the Pensions Dashboards infrastructure. The level of change currently underway is therefore unprecedented.
32. Whilst some delays are now expected, I am confident the risks associated with this large-scale change are being monitored and that the ongoing delivery to members is not currently being impacted by the challenges associated with delivering this change.

Membership & Transactions

Contracted Support Arrangements

33. Defence Business Services (DBS) has a major Commercial Partner, assisting them with the administration of the schemes. Shared Services Connected Ltd (SSCL, the contractor) are the primary contractor delivering the core AFPS services and their sub-contractor, Equiniti Paymaster deliver the pension payroll and administration services to over 460,000 pensioners and dependents. To enable this, the MOD provides the contractor with access to appropriate expertise to enable them to discharge its obligations. Whilst the MOD has responsibility for ensuring that pension casework is processed in accordance with appropriate guidelines, the Authority for making such discretionary decisions is delegated to DBS from the Admiralty, Army and RAF Boards.
34. The operational service commencement date was 1st June 2020. Under the agreement of a new service contract, we could not carry out a Benchmark Review of any services during the first 12-month period from the Operational Commencement date of the new contract. Benchmarking resumed from 2021-22 with CEM Benchmarking and was then followed by a further benchmarking review in 2022-23. Further details of this can be found in the following section entitled 'Quality of Service'.
35. In the year 2023-24, the contractor brought into payment:
- 13,225 Immediate Pensions on Discharge
 - 9,924 Preserved Pensions
 - 6,472 Forces Family Payments

Source: SSCL

AFPS Membership	31 Mar 23	31 Mar 24
Active Members (inc. Reserves)	275,672	260,650
Pensioner Members	460,735	463,866
Deferred Members (inc. Reserves)	506,210	491,941

Source: AFPS Finance, DBS

36. The total transactions processed by the contractor are detailed at Annex E. Complaints volumes remain very low, with 47 formal complaints received by the contractor in the year. the majority were challenges to policy, not customer service and as a result only 6% of the complaints received were upheld – further information is provided in Annex F. The contractor has comfortably met the contractual measures of performance required during 2023-24.

Quality of Service

37. The AFPS75, AFPS05, and AFPS15 schemes are administered in partnership with SSCL and Equiniti against contractual measures of performance relating to accuracy and timeliness. Varying levels of audit and assurance are provided by the NAO, GIAA and internal teams. The contract includes penalties for any failures that are identified. The Pension Board will continue to monitor performance closely, and work with stakeholders to ensure good levels of performance endure going forward. It will also contribute to discussions on how services can be enhanced for members going forward.

CEM Benchmarking

38. As previously stated, CEM completed a benchmarking exercise this year which assessed the quality of service of the Armed Forces Pension Scheme. It makes comparisons with peer-group pension schemes and makes useful suggestions for further improvement of service provision.
39. The report concluded that the Scheme ‘member service score’ has decreased by four points since last year, now 43/100. However, the ongoing transformation project presents an opportunity to enhance our digital offering and improve this score.
40. CEM found that the AFPS Enquiry Centre was the most accessible of the large public-sector pension schemes; members can contact a live person 60 hours per week and connection time is over 5 times quicker than comparable schemes. AFPS telephone outcomes are best in the peer group: most calls are handled with first contact (91%) and staff calls are monitored on average 20 times per month, four times the peer-scheme

average. The report noted that we scored the highest amongst our peers for our Benefit statements for active members which were issued to members within a month compared to four months for other schemes, it also noted they were comprehensive and provided details on added pension. Additionally, AFPS issues four annual newsletters to members (AFPS Quarterly Digest), compared with one, typically, amongst peer-schemes.

41. Areas for the Scheme to improve include secure website for members to access their own data, more face-to-face or online engagement with membership (group meetings or presentations); time taken to for payment of pension commencement lump sums. DBS and the contractor recognise that service can be improved and will work closely on service improvements with a view to increasing service provision where possible in these areas. Indeed, this requirement fits with a broader desire to improve customer engagement across the whole spectrum of Armed Forces and Veterans (AF&V) outputs. More detail is provided in 'Future Improvements'.

2023-24 Service Highlights

Decision Making

42. An analysis of appeals and disputes within the Armed Forces Pension Scheme has been undertaken by DBS. This demonstrated strong decision making and proportionately fewer complaints to the Pensions Ombudsman, with even fewer complaints upheld by the Ombudsman. AF&V made 3,474 challengeable decisions within the scheme year, compared with 224 appeals/reviews (6% of decisions). We had 86 case interactions with The Pension Ombudsman service as they investigated received complaints, with just 4 cases reaching adjudication (where the member and the Scheme remain in disagreement). Of the 4 cases reaching adjudication, all were 'not upheld', with no further action for the Scheme. The low rate of appeal generally, and very low rate of upheld complaints to the Ombudsman, demonstrate reasonable and well communicated discretionary decisions in the majority. DBS uses every appeal/dispute as an opportunity to improve service and lessons are learned and service improved where appropriate.

The AFPS Quarterly Digest

43. The quarterly digest has continued to react and evolve in line with feedback from members and selects content to meet their needs. The Quarterly Digest has empowered members to get the most from their Armed Forces Pension. 706 member feedback forms were received within the year: the Quarterly Digest received an approval rating of 3.7/5; with 81.7% of readers saying they will read the next edition. We are continually reviewing the feedback received and looking for ways to improve the communications we issue. 61.9% of people scored it as excellent or very good and said they found it very useful. This demonstrates the true value of the publication and the Board, in collaboration with the Pension Communications Working Group, will continue to utilise the Quarterly Digest to increase engagement and understanding of pensions among Service Personnel. Some of the lower scoring feedback is from member's who think it would be better if we stopped posting and instead issued the Quarterly Digest digitally. The Quarterly Digest is currently being distributed electronically to active members, whilst pensioner and dependent members are posted the publication, with the future member portal being the eventual common, electronic, destination for all Quarterly Digest editions.

Member Lived Experience

44. DBS recognises that delivery of its services could be improved by connecting with veterans using Lived Experience insight. In October 2023, a Lived Experience event was held in Norcross. The aim of the event was to promote the work we do within the Armed Forces and Veterans Services arena, guiding attendees through the Compensation claims journey and wider services we provide (For example – having a dedicated Helpline Services, a bespoke Veterans Welfare Service). This also provided us with an opportunity to share updates with our energy and focus being on our customers experience and improving the services we deliver to help support our veterans, serving personnel, dependants and their families, ensuring our customers are at the heart of everything we do.
45. The event was attended by 18 representatives of 11 Service Charities and helped to build and strengthen our engagement with the service charities through insight and discussion to see how we can collaborate to better support them to support members.

'Gone Away' Members

46. Following an exercise to identify and trace members for whom the Scheme had received returned postal communications, a significant number of members have updated their contact information. DBS and its contractor continue to utilise National Fraud Initiative information to support tracing and ultimately ensuring member details are current and accurate, allowing for communication of key information from the Scheme. To date, over 6,731 members have confirmed new addresses following proactive tracing by the Scheme.

Unclaimed Pensions

47. DBS and its contractor continue to minimise the volume of pensions going unclaimed by using tracing on deferred pensioners as their pensions become due for payment. Furthermore, regular communications are being used to remind members of the need to keep contact information up to date. To date, the Scheme has brought 6,091 pensions into payment which had not been claimed by the member, with the total annual value of these pensions being approximately £15.5 million. This means that the number of unclaimed pensions has reduced from 17,139 at 31 March 2023 to 14,797 at 31 March 2024.

Improved Guidance for Members

48. In 2024, DBS have improved the Service it delivers to our deferred members. This includes a new guidance booklet on the AFPS GOV.UK site. This booklet contains a history of the AFPS and the rules and changes made over the years which affect a member's entitlement to a preserved or deferred pension. This booklet was released following the launch of the Veterans ID Card, which had resulted in an influx of queries surrounding pension entitlement. Veterans are now directed to this booklet which allows them to establish potential entitlement prior to contacting DBS.
49. Additionally, DBS have also published a Tier Awards Fact Sheet, which is also available on the AFPS GOV.UK site. This provides in depth information on how the AFPS will assess a member's Tier and advises on how Tier awards are calculated. The Fact Sheet also advises of the impact to a member's GIP (Guaranteed Income Payment) from the AFCS,

when a Tier award from the AFPS is increased. DBS are in discussion with SSCL on amending the back office ill health letters, to signpost members to this Fact Sheet.

Digitisation of Forms/Services

50. In 2023, DBS released a digital AFPS Form 12 via the PowerApps platform for Active members. In 2024 we have expanded on this and there are now digital Power Apps versions available for Active member for the following:

AFPS Form 2 – Nomination/Revocation of Death Benefit

AFPS Form 3 – Allocation of Pension

AFPS Form 6/6a – Added Pension Quotation Application, Purchase or Cancellation

AFPS Form 16 – Opt In/Opt Out of AFPS

AFPS Form 17 – Scheme Pays Notification of Final Decision

Membership Data

51. The inspection of the 2023 data extracts last year raised just 471 potential anomalies, out of a combined total 1,066,554 membership records. This was a reduction in potential anomalies of 85.65%. The overall quality level across all data lists, based on the results of the tests, gave GAD an assurance of 99.93%. As of 31st March 2024, 38 were deemed to be outstanding which were all within the Actives data. These cohorts relate to fields on JPA which are either not held or are movable (i.e. Pensionable Rank). DBS will engage with GAD for specific field data to ensure testing is reflective of GAD requirements. Further inspection, analysis and correction of anomalous data will be undertaken for 2024 and testing is now underway.

Benefit Information Statement (BIS) Review

52. The annual BIS sent to serving members has been improved following member feedback and a full review by the Communications Working Group. Improvements have clarified areas of the BIS which could have been confusing or ambiguous to members, updating language, and improving the layout. The Communications Working Group review the BIS annually with stakeholders to ensure the product remains fit for purpose.

Text Message Member Updates

53. We continue to offer text messaging updates to our members who raise Internal Dispute Resolution Procedure, Discretionary Award Reviews and Appeal Reviews and to the Complaints Resolution Team. Members who opt-in to the updates will receive regular text messages updating them on the progress of their case.

Streamlined Complaints Process

54. As part of an ongoing effort to modernise and improve services for customers, The Ministry of Defence introduced an updated process for actioning War Pension and Armed Forces Compensation Scheme complaints on 1 September 2023. Within the 1st six months of operation, the streamlined process reduced the internal complaint process to 2 stages, from 3 previously. Each internal stage has a 20-working day response time. Prior to change, the response time at each stage was on average, 17 working days. This has reduced to 8 working days at each stage under the updated process.

55. The updated process aims to answer complaints fully at 1st stage internal response. Prior to change, 43% of complainants escalated their complaints to final stage. Post change, 13% of complainants escalated to final stage. The new process has reduced external escalation to the Parliamentary and Health Service Ombudsman (PHSO). Prior to change, 8% of complainants escalated to the PHSO. Post change, this reduced to 2%. An online application was launched to raise a complaint on the gov.uk platform. This has proven successful with 73% of applicants leaving positive feedback about ease of service.
56. Telephone contact with complainants was introduced under the new process, resulting in, on average, 57% of complaints raised being cleared by verbal discussion. This has provided a more personalised, Veteran focused service giving Veterans direct opportunity to have their voice and opinions heard. Complaint process maps were published on gov.uk prior to launch on 1 Sept 23, alongside guidance on how to raise a complaint and a link to the online form. This has provided open and transparent information and ensured ease of application and understanding.

Future Improvements

Member Self-Service Portal

57. DBS aspires to achieve the digitisation of self-service provision for serving personnel and veterans, both in the short and long term; all forming part of the MOD modernisation agenda. Working alongside its contractor, DBS are continuing to develop their own digital rollout to help with improved member service which will include a Member Self Service portal which will allow members to run their own forecasts, update personal details and view information such as P60 and the Quarterly Digest. We aim to have this functionality by within 6 months of transformation to Compendia Touch.
58. In the short-term, AF&V will be further digitising online forms and services to increase accessibility and efficiency of its service in the digital age.

A Single IT Platform

59. Linked to the Self-Service Portal, AF&V are transitioning to a single IT platform which will bring membership data and some processes onto one system. This will incorporate a data matching programme and, in line with the portal, is expected to be ready in 2025.

Further Digitisation of Forms/Services

60. DBS are also looking to further expand on digitisation with regards to our external customer facing forms. In 2024 we have taken steps to investigate digitisation of the following AFPS Forms on the GOV.UK platform:

AFPS Form 373 – Continuation of Children's Pensions in Further Education
AFPS Form 14 – Preserved Pension Forecast Request
AFPS Form 17 - Scheme Pays Notification of Final Decision

61. DBS will continue to develop online forms where there is the capability to do so, improving its provision of online services in preparation for transitioning to the single IT platform, with member self-service.
62. Finally, DBS created a digital distribution method for the annual member Benefit Information Statement (BIS), which allows members to access their BIS from any place, any time, in full colour. The digital BIS was first launched on JPA in Nov 23 and was then made available to members on the Defence Gateway from Jan 24.

The Pension Landscape 2023- 2024

The 2015 Pension Remedy (formally McCloud Remedy)

63. This refers to the Court of Appeal's ruling that the Government's 2015 public sector pension reforms unlawfully discriminated against public sectors based upon members' age on the 1 April 2012.
64. As part of the 2015 reforms which applied to most public service pension schemes, those within 10 years of retirement were allowed to remain in their legacy pension scheme; this was known as 'transitional protection'. Following legal challenges in December 2018, the Court of Appeal found that the transitional protection arrangements applied to judicial and firefighters pension schemes, gave rise to unlawful discrimination against younger members. As a result, in July 2020, the Government published a public consultation where it was confirmed that they would remove the age discrimination; achieved by giving eligible public sector workers the opportunity to choose which scheme benefits they would wish to receive (legacy scheme or the reformed 2015 scheme) for the period of 1 April 2015 – 31 March 2022 - known as the remedy period. The remedy applies to pension scheme members who were in service both on or before 31 March 2012 and on 1 April 2015, including those with a gap in service no longer than 5 years.
65. All eligible members who were transitionally protected were moved to AFPS 15 on 1 April 2022. This prevented future discrimination and means that since 1 April 2022, AFPS 15 is the only pension scheme available to Regular and Reserve forces personnel.
66. All in-scope members who were moved to AFPS 15 on 1 April 2015 (i.e. not protected) were rolled back to their relevant legacy pension scheme(s) for service in the Remedy period on 1 October 2023. This marked the start of the implementation period, that runs to April 2025, during which all affected members must receive their Remediable Service Statement, outlining their choice of pension benefits. Updated tools and guidance were implemented by DBS and SSCL in advance of the implementation period to ensure eligible members had the ability to project their alternative pension benefits using the AFPC from August 2023. Processes were also updated with sufficient time to allow RSS delivery to begin prior to the implementation period.
67. Between the end of the reporting period and the publication of this report, it has been announced by MOD that the technical complexities of the remedy have presented significant challenges, requiring a revision to the timelines for the issue of RSSs. Some members will not receive their RSS by the end of the implementation period on 1 April 2025. We anticipate these members will receive their RSS by 30 September 2025. This

delay is being monitored by the Pension Board, and letters informing affected members of the delay will be issued.

Pensions Tax

68. The Senior Salaries Review Body (SSRB) have previously raised concerns over the impact pension taxation is having on the morale of senior talent. A significant amount of effort has been put in to updating guidance to support our Service Personnel that are impacted – including digital content detailed information aimed at those impacted by a pensions savings tax charge.
69. Changes were made in April 2023 to increase the Annual Allowance (AA) limit, which is the maximum amount of tax-free growth an individual can build up in their pension over one tax year, from £40,000 to £60,000. April 2023 also saw the tax charge for breaching the Lifetime Allowance (LTA) removed in advance of the LTA being abolished and replaced with a Lump Sum Allowance in April 2024.

Cross Whitehall Participation

70. The Department is keen to ensure that the pensions offered to Service Personnel reflect the unique nature of the Armed Forces and are in line with other Government departments. The Department regularly engages with the HM Treasury Official Committee on Occupational Pensions (MOCOP), who are in place to ensure that a cross Departmental view is taken for any significant policy changes. This ensures that the requirements of the Armed Forces are being considered across Whitehall. The Pension Board are committed to building upon relationships to improve the Board's effectiveness. The Department also participates in cross Whitehall meetings with public sector scheme representatives and HMT to consider issues such as the implementation of the 2015 Pension Remedy and the introduction of the Pensions Dashboard Programme.

Valuation Exercise

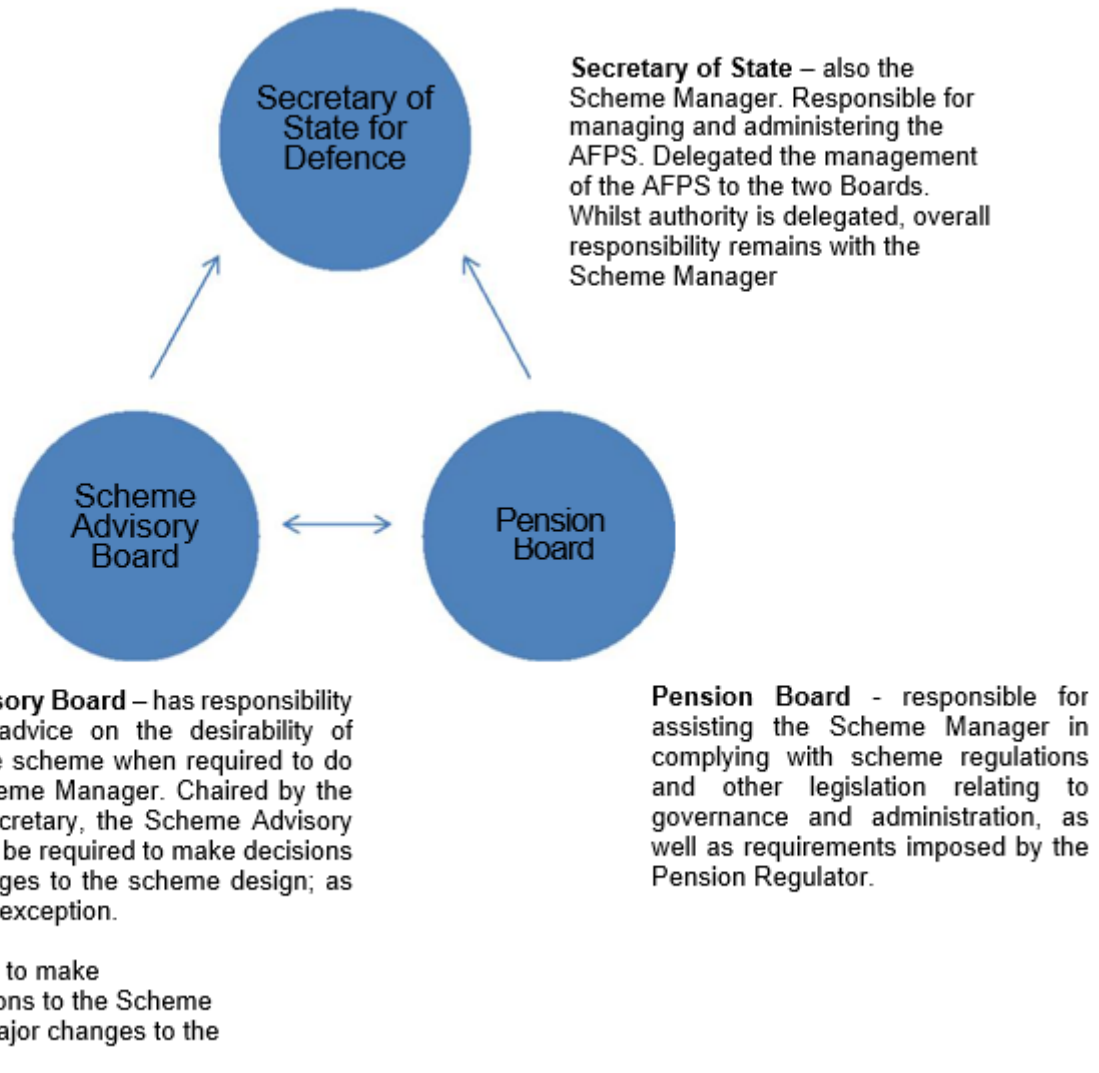
71. Pensions are paid from Annually Managed Expenditure with the employer's contribution paid from the Departmental Expenditure Limit through the Superannuation Contribution Adjusted for Past Experience (SCAPE) mechanism. Where the contributions and expenditure do not balance in any one year, a balancing figure is paid to or from HM Treasury. The SCAPE employer contribution rate is set following a valuation carried out, under HM Treasury direction, by the Government Actuary's Department every four years. The SCAPE employer contribution rate for 2023/24 was set at 63.5% of pensionable pay, rising to 71.5% of pensionable pay in April 2024.
72. The employer cost cap framework was introduced by the Public Service Pensions Act 2013 – this is aimed at maintaining the affordability of public service pensions. The valuation report of the 2020 scheme valuation was published in October 2023 and highlighted that the core cost cap cost of the scheme lies below 3% cost cap corridor. However, the economic cost cap, which takes into account the wider economic situation, has been assessed to be more than 3% above the corridor. As these two cost control mechanisms do not produce a breach in the same direction, there was no requirement to consult on changes to the scheme.

Conclusion

73. I am pleased to be able to present a positive report for a year that has had a wide range of challenges for all those involved with the Schemes. The scheme is facing many challenges, but continued hard work and dedication has been demonstrated by those involved in the scheme to ensure good outcomes for members. Next year will be equally challenging with increasing regulatory, operational and commercial issues to address but I am confident that Board members will continue to assist with the delivery of a well governed and good-quality service to members.

Annex A

GOVERNANCE STRUCTURE FOR ARMED FORCES PENSION SCHEME



Annex B

PENSION BOARD TERMS OF REFERENCE

General

1. The Pension Board was established as of 1 April 2015 in compliance with the Public Service Pensions Act 2013. The Board is responsible for assisting the Scheme Manager in ensuring compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it.

The Pensions Regulator

2. The Pension Board is also responsible for assisting the Scheme Manager in securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator (tPR). The Pension Board will, always, work to protect the reputation of the scheme for effective governance and administration and for proper use of taxpayers' money in accordance with such good practice guidance that may be issued by the Pensions Regulator. The Pension Board will respond to any requests/directions made by tPR and ensure that they oversee the development and ongoing delivery of processes and systems to incorporate any new statutory requirements.

Purpose of the Pension Board

3. In addition to its' statutory responsibilities¹ the Pension Board has key functions in addition to ensuring that those in receipt of a benefit receive accurate, timely benefits under the scheme rules and satisfactory customer service thereby ensuring that schemes are administered correctly and appropriately, and in accordance with regulations as follows;

- Responsibility for the effective and efficient governance of the Armed Forces Pension Schemes;
- Oversee and advise on pension delivery and represent Pension Schemes interest in MOD's management of the wider Shared Services contract;
- Provide advice on policy issues which affect members' interests;
- Contribute to the planning and influencing of the risk management and audit activity for Armed Forces Pension Scheme, to include internal audit programmes, internal control procedures and the making and reviewing of recommendations arising from such activities;

¹ Section 5 of Public Services Pension Act 2013

- Advise and influence the selection, appointment and reappointment of all third-party providers including the Scheme Administrator in conjunction with the provision of wider people services;
- Oversee and contribute to communications on pension management issues;
- Monitor all Pension Scheme material issues to ensure consistency of application and a seamless service for members; and
- Develop positive, co-operative working relationships with all the stakeholders and provide a forum to receive feedback from them on issues affecting the scheme.

Changes to the Terms of Reference

4. The Terms of Reference will usually be reviewed every year but can be amended outside of the review period subject to Chair agreement.

Chair

5. The Pension Board will be chaired by an independent, voting Non-Executive Director (NED) who has responsibility for ‘...assisting the Scheme Manager to comply with the scheme regulations and other legislation relating to the governance and administration of the scheme and requirements imposed by the Pension Regulator.’² Chief of Defence People (CDP) will appoint the Chair on behalf of the Scheme Manager.

Pension Board Members

6. The Pension Board will have an equal number of employer³ and employee⁴ members. All appointments to the Pension Board are personal. All members will represent the interests of all of the Schemes’ beneficiaries and stakeholders. There are 15 members (including the Chair) and 4 attendees in an advisory capacity. At the time of writing;

Name	Role
Employer representatives	
Zoe Bishop	Director Armed Forces People Policy (People-AFPPol-D) – 2* Civil Servant
Philip Bassingham-Searle	Head of Armed Forces Remuneration (Hd AF REM) - 1* Military
James Freemantle	Deputy Director Defence Resources (D Res-DD) - 1* Civil Servant
TBC	Reserve Forces & Cadets Assistant Head Capability (RFC AHd Cap) -

² tPR Draft Code of Practice.

³ Employer representatives means persons appointed to the board for the purpose of representing employers for the scheme and any connected scheme.

⁴ Employee or member representatives means persons appointed to the board for the purpose of representing members of the scheme and any connected scheme.

Suzy Conway	Royal Navy Pay Colonel – Captain Royal Navy
Claire James	Army Pay Colonel – Colonel
Gordon Bettington	Royal Air Force Pay Colonel – Group Captain

Member/ employee representatives	
Neil Marshall	Forces Pension Society
Maria Lyle	Single representative from the Forces Families' Federation
Stephen Bennett	SIAP (Services Insurance and Investment Advisory Panel)
William Grove	Reservists Members' representative: a volunteer from the Chain of Command
David Smith	Members representative from the Royal Navy; a volunteer from the Chain of Command
Sarah Cox	Members representative from the Army; a volunteer from the Chain of Command
Lee Twyning	Members representative from the Royal Air Force; a volunteer from the Chain of Command
Not Board Members, but can be invited to attend to provide technical, legal, and actuarial advice as and when required: <ul style="list-style-type: none"> • Defence Business Service (DBS), the Service Provider • Command Legal Service (CLS) • Government Actuary's Department (GAD) • Assistant Head Armed Forces Pension Schemes (AHd AFPS) – Secretary • SSCL Project and BAU representatives • MoD – Commercial/ Change 	

Tenure and Attendance

7. The current Chair's appointment is for an initial 3 years from February 2024. Military employer members will typically change every 2 to 3 years as this is the normal length of an assignment. Where the Board member is a Civil Servant, the tenure will endure whilst the incumbent is in the appointment. Employee members can remain for an indefinite period but must put themselves forward for re-election to the Board by its members every 4 years; allowing the Board to consider alternative representation. The Chair will need to consult with Pension Board members to try, if possible, to avoid too many Board members changing at the same time.

8. Pension Board members are expected to attend all meetings in person. Any alternate representation must be cleared by the Chair in advance. If a short notice meeting is called, all Board members should make their best efforts to attend.

9. Each member must agree that information provided or gleaned in the course of their duties as a member of the Board (which may include confidential/personal information) will not be used for purposes outside of the delivery of the Board's function unless specifically agreed.

10. For the Board meeting to be quorate, there must be the Chair, and at least 3 employer and 3 employee representatives present.

Removal

11. Pension Board members (including the Chair) may only be removed from office during a term of appointment by the Scheme Manager.

12. Members of the Pension Board may resign from the Pensions Board by giving one month notice in writing to the Chair.

13. In the event of resignation or other removal the Chair will work with the Secretary to ensure that an alternative member is appointed within three months of the date of resignation or removal.

14. Members of the Pension Board may be removed should they fail to attend three consecutive meetings.

15. In the event of resignation or other removal, the Pension Board can continue to meet and conduct its business, subject to 10 above, although every effort should be made to ensure that there is a balance of employers/employees.

Voting

16. All 15 members of the Pension Board are voting members. Items arising at any meeting will be decided by a majority of voting members present. The Chair will have the casting vote. Nominated deputies attending meetings are unable to vote.

Conflict of Interest

17. Conflict of interest means a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).

18. Subject to the agreement of the Scheme Manager, the Chair must be satisfied that none of the members have any conflict of interest. If it is determined that a member of the Pensions Board has an enduring conflict of interest, the appointment of the member must be terminated.

19. All members are to sign the Conflict-of-Interest declaration form, and these should be held as a record and reviewed annually. Any individual conflict of interest should be declared before each meeting. Conflict of interest will be a standing agenda item.

Conduct of Business

20. The Chair of the Pension Board will report annually at the end of the FY on the activities of the Pension Board to the Responsible Authority (S of S). This is to include a suitable response to the Pension Regulator's annual report. This annual report should include input and support from Pension Board members.
21. The Pension Board will meet at least every six months but usually no more than 4 meetings a year.
22. The Chair of the Pension Board may call a meeting at any time providing two weeks' notice is given, if practicable. Such meetings may be in person, via telephone, video conference or other media as appropriate.
23. Minutes of all Pension Board Meetings will be recorded. Draft minutes will be circulated to the Pension Board and will be ratified by members at the next meeting; paperwork should be circulated at least 5 days before the next meeting.
24. A standing agenda will be used to guide the meeting and where there are specific issues to discuss, these will be put in as separate agenda items.
25. The Pension Board can decide to ask its professional advisers, representatives from third party suppliers, including the scheme administrator, and any other person to attend its meetings as it sees fit.
26. The Secretary will update the training log quarterly, or as and when necessary.
27. The Pension Board may agree on a decision outside of a meeting if the Chair, as well as 3 employee representatives and 3 employer representatives confirm their agreement either in writing or by electronic mail. Any such decision will be as valid and effective as if it had been passed by a meeting of the Board.

Committees and Sub-Groups

28. The Pension Board may establish such committees and sub-groups as it sees fit. They will decide if they need to have separate ToRs and if so, they will take responsibility for writing them within the Pension Board ToRs; any ToRs will be approved by the Chair.
29. Minutes of any subcommittee meetings will also be recorded. The Chair of the Pension Board will appoint the Chair of each sub-group.

Pension Board's Responsibilities

30. The Pension Board will monitor the effectiveness and efficiency of the scheme administration and focus on scheme performance, continuous improvement, value for money, risk management and compliance with statutory requirements.
31. The Pension Board will:

- monitor and advise the Responsible Authority on the performance of the service administration of the Pension Schemes including performance of the third-party scheme administrator throughout the implementation phase and into the future through the analysis of management information and key performance indicators, providing challenge where appropriate;
- ensure that an appropriate risk management strategy is in place for the scheme and monitor the Scheme Administrator's risk management framework and internal control procedures;
- ensure that the Scheme Administrator has an effective audit strategy in place for the scheme and monitor the internal audit programme to check compliance;
- ensure there is a process to allow compliance with data management requirements and compliance with the record keeping requirements as set out in [The Public Service Pensions \(Record Keeping and Miscellaneous Amendments\) Regulations 2014](#);
- monitor the process and viability of the System Administrator's electronic data storage to assist with data extracts needed for actuarial valuations;
- reviewing trends and patterns in the information provided by the DBS and SSCL, and making recommendations to the Scheme Manager as appropriate;
- report breaches of the law to the Regulator, when they have reasonable cause to believe that a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with; and the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions;
- may consider and advise on (but not give final approval as not solely a pension's contract) any amendments to the terms of the Commercial Contract in place with the Scheme Administrator;
- may request (if Department funding is agreed) additional services from the Scheme Administrator.
- carry out its responsibilities, having due regard for compliance with the Public Sector Equality Duty.

Pension Board Member's Responsibilities

32. Members will be expected to:

- contribute in a way that will benefit scheme members, employers, and the taxpayer;
- contribute to any discussion on policy issues as it affects the management and oversight of the Armed Forces Pension Schemes;
- be a credible and visible consultative body for Armed Forces Pension Schemes;

- have or be prepared to develop, appropriate knowledge and understanding of pensions legislation and best practice pensions governance; have a good understanding of and conversance⁵ with the Armed Forces Pension Schemes⁶ and allocate sufficient time to consider Pension Board Papers prior to boards;
- take part in training to gain and retain, up to date and working knowledge of the Armed Forces Pension Schemes. Thereafter keep their knowledge up to date by undergoing training as required; this will include but not be limited to:
 - a. taking part in themed training on administration, actuarial practice, benchmarking, and member experience as provided at Board meetings by external contacts; and
 - b. completion of the Public Service Toolkit provided by the Pension Regulator within six months of taking up post.
- know where scheme rules and administration policies are relevant and where a particular provision or policy may apply;
- be aware of the range and extent of pensions law applying to the scheme and recognise when and how it impacts on their responsibilities;
- be able to challenge failures to comply with the scheme rules and legislation relating to governance and administration;
- make every effort to attend any short notice meetings;
- understand that if they fail to attend three consecutive meetings, they may be removed as a member;
- will be expected to inform the Chair of any changes in respect of possible conflicts of interest.

⁵ Conversance is working knowledge of scheme rules and policy documents, so members can use them effectively in carrying out their duties.

⁶ AFPS 75, AFPS 05, AFPS 15, FTRS 97, RFPS 05 and NRPS

Annex C – Armed Forces Pension Board Training Log

2023

Date	Topic	Robert Branagh	Helen Helliwell	Adrian Bettridge	Phil Bassingham Searl	James Freemantle	Suzy Conway	Louise Green	Gordon Bettington	Neil Marshall	Collette Musgrave	William Grove	Ian Wilson	David Smith	Sarah Cox	Lee Twyning	Stephen Bennett
	Public Service Pensions Toolkit																
12 July 2023	TPR Brief / CEM Benchmarking brief	✓	Absent	Absent	Not yet in post	Absent	✓	✓	Absent	✓	✓	✓	✓	✓	Absent	Absent	✓
16 October 2023	TPR Brief / CEM Benchmarking brief	✓	✓	Left Post	✓	Absent	✓	Absent	Absent	✓	✓	✓	Absent	Absent	✓	Absent	✓

2024

	Topic	Lisa McCrory	Zoe Bishop	Phil Bassingham Searl	James Freemantle	Suzy Conway	Claire James	Gordon Bettington	Neil Marshall	Maria Lyle	William Grove	Ian Wilson	David Smith	Sarah Cox	Lee Twyning	Stephen Bennett
	Public Service Pensions toolkit															
12 March 2024	TPR Brief / CEM Benchmarking brief	✓	Absent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

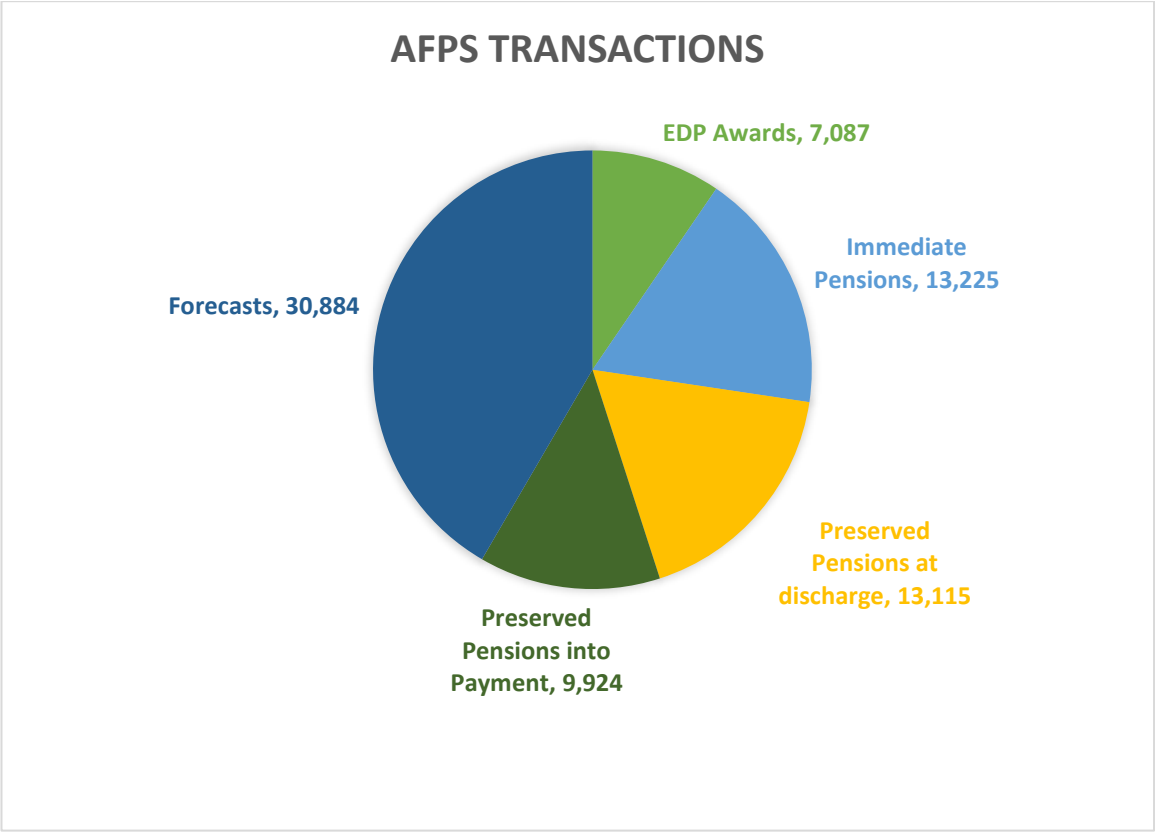
Annex D – Armed Forces Pension Board Work Programme

July 2023	CEM Presentation SSCL Update Commercial (Commercial) DBS Update Performance measures REM Update Risk and Assurance update
October 2023	SSCL Update Commercial (Commercial) DBS Update Performance measures REM Update Risk and Assurance update
March 2024	SSCL Update Commercial (Commercial) DBS Update Performance measures REM Update Risk and Assurance update

Annex E

AFPS High Level Transactions

The following data has been provided by the contractor and details the number of AFPS high level transactions processed during 2023-24 by transaction type.



Source: SSCL

Benefit Information Statement (BIS)

AF&V are continuing to monitor BIS feedback following the review carried out in 2023-24 and will consider enhancements to the process and BIS template on an ongoing basis.

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
BIS Issued	14,327	16,459	15,924	14,751	16,451	14,664	17,712	11,530	13,538	13,095	14,300	11,877	174,629

Source: SSCL

Annex F

Appeals and Disputes

The number of complaints in relation to the population remains exceptionally low and represents a strong service delivered to customers in the majority of cases.

SSCL Complaints:

Total complaints received by SSCL was 47; 3 (6%) were justified. The majority were queries/disagreements with policy.

Thank You

In the last year 1,169 Thank Yous were received by our Complaints Resolution Team, AFPS team and the AFCS Operations and Vets UK Helpline.

IDRP & Reviews:

Members of an occupational pension scheme have a legislative right to have their complaint/appeal reviewed if they are dissatisfied with any decisions made in relation to the AFPS Schemes. This review process is known as the Internal Disputes Resolution Procedure. If members are unhappy with the decisions made by the administrators of the scheme under this process they will have recourse to the Pensions Ombudsman, whose decision is final and binding on both parties (unless the case is taken to the appropriate Court on a point of law).

Total Internal Disputes Resolution Process (IDRP) and Discretionary Awards Reviews processed by AFPS Authority staff during 2023-24:

Discretionary Award Review (DAR)	149
Discretionary Award Appeal Review (DAAR)	13
Internal Dispute Review Process (IDRP)	62

The IDR procedure is broken down into two categories: formal complaints/disputes and ill-health appeals against ill-health Tier assessments. Of cases closed during the performance year, approximately 39% (24) of IDRPs were ill-health Tier appeals; 61% (38) were IDRP formal complaints alleging maladministration.

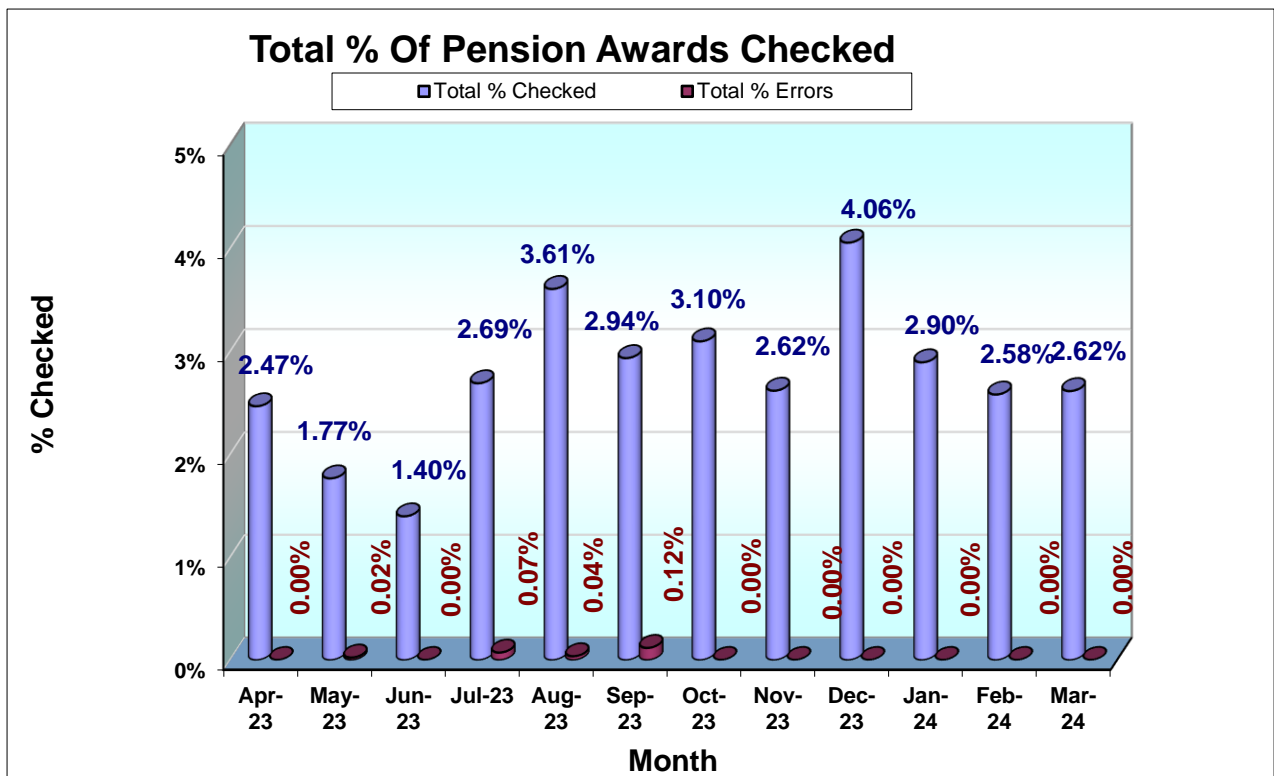
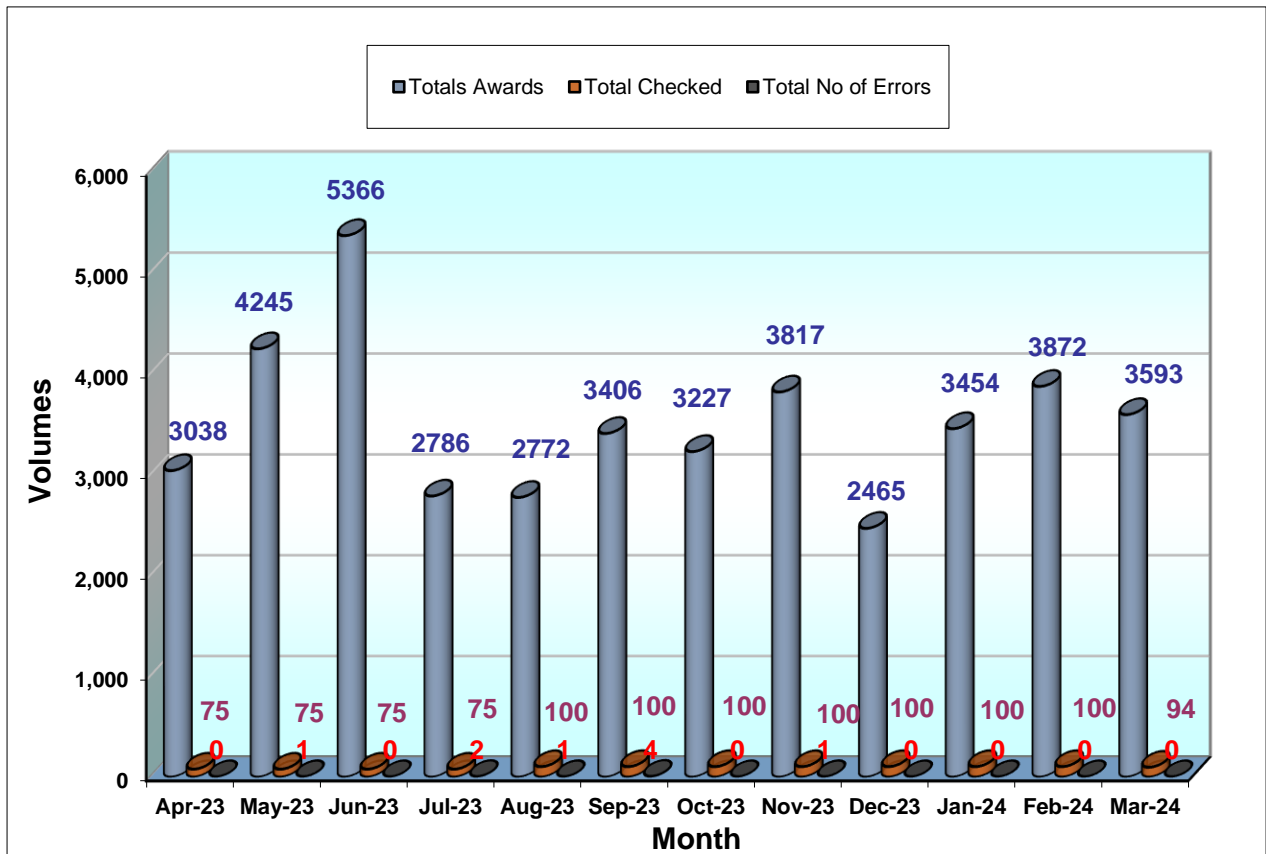
- 2,429 ill-health Tier assessments were closed in the period. Total ill-health appeals closed in comparison was just 114 (appeal rate of less than 5%) and were upheld at a rate of 25% during the period.

Investigations by Pension Ombudsman

Ombudsman adjudication outcomes in the year 2023-24:

Complaint Topic	2023-24	Outcome
FTRS Abatement	1	Not upheld
Attributable Benefits	2	Not upheld
Early Payment of Preserved Pension	1	Not upheld
Total	4	4 not upheld

Annex G



Source: Contract Performance Management Team (CPMT)