PENSION AWARENESS WEEK 2026

ARMED FORCES PENSION AWARENESS WEEK

Armed Forces Pension Calculations & Forecasts

How AFPS 15 builds and how to understand the pension figures available to you

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Defined Benefit, not an investment pot

AFPS 15 is a Defined Benefit pension. Your eventual benefit is calculated under scheme rules; it is not based on how an individual investment fund performs.

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HOW AFPS 15 BUILDS

PENSIONABLE EARNINGS	ACCRUAL RATE	PENSION BUILT
£47,000	÷ 47	£1,000 a year

For each scheme year, 1/47th of pensionable earnings is added to your earned pension before subsequent revaluation.

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Career average, not final salary

Each year's pension is added to what you have already earned and revalued in accordance with the scheme rules. This is why AFPS 15 is described as 'career average' rather than a final-salary pension.

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LEAVING BEFORE PENSION AGE

DEFERRED PENSION

If you have secured pension entitlement but leave before it is payable, the benefit is retained as a deferred pension, sometimes called a preserved pension. AFPS 15 deferred pension is normally linked to State Pension Age.

↘ EARLY PAYMENT

Separate rules allow some preserved or deferred benefits to be paid early, usually with an actuarial reduction because the pension is expected to be paid for longer.

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EDP AND LUMP SUMS

20/40 EARLY DEPARTURE PAYMENT

EDP is separate from your pension. Under AFPS 15, eligible Regular personnel who leave at or after age 40 with at least 20 years' qualifying service meet the commonly described 20/40 point. EDP is intended to provide financial support before deferred pension age.

⇄ LUMP SUMS AND COMMUTATION

AFPS 15 does not automatically provide the same type of retirement lump sum associated with some legacy benefits. Members can normally exchange part of pension for a tax-free lump sum, within scheme and tax limits. This is called commutation. A larger lump

When comparing leaving dates, check both the EDP position and the pension that remains payable later.

sum means a lower ongoing annual pension, so compare both figures.

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FOUR SOURCES OF PENSION FIGURES

▤ BENEFIT INFORMATION STATEMENT (BIS)

A snapshot of benefits already accrued. Useful for understanding where you are now.

▦ ARMED FORCES PENSION CALCULATOR

Projects benefits using the details and assumptions entered. Useful for testing leaving dates and scenarios, but it is not a guaranteed award.

◷ PENSION FORECAST

A personalised estimate using pension records and assumptions. Useful when making more developed retirement or leaving plans.

⇄ REMEDIABLE SERVICE STATEMENT (RSS)

For members affected by McCloud. It explains remedy-period options; it is not simply another general pension forecast.

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WHY FIGURES CAN DIFFER

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Different dates	**Different purposes**	**Different leaving dates**	**Different assumptions**

A BIS, calculator and forecast may be produced at different dates and for different purposes. They may use different leaving dates, pay information or assumptions. Check the effective date and assumptions before comparing figures.

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Planning figures are estimates

Final pension awards are determined under scheme rules and verified pension records; planning tools are estimates.

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BEFORE COMPARING FIGURES

1 CHECK THE DATE

Confirm when each figure was produced.

2 CHECK ASSUMPTIONS

Review pay, service and leaving-date assumptions.

3 COMPARE LIKE WITH LIKE

Make sure the figures serve the same purpose.

FIND OUT MORE

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