

AFPS 75 FREQUENTLY ASKED QUESTIONS

List below are the most frequently asked questions about AFPS 75. Click on the Bookmarks tab on the left to link to the answers.

GENERAL

- Why are provisions for officers and other ranks different? *(updated 10/09/07)*
- What is a PVR rate? *(updated 10/09/07)*
- Why do officers get a full career pension after 34 years and other ranks after 37 years? *(updated 10/09/07)*
- What pension do I get at the Immediate Pension Point (IPP)? *(updated 10/09/07)*
- What happens if I am invalided from the Armed Forces? *(updated 10/09/07)*
- Am I covered if my injury or illness is caused by service? *(updated 10/09/07)*
- If I was seconded to NATO after 1 October 2005 and a member of the NATO Pension Scheme, what are my options on return to the British Armed Forces? *(updated 10/09/07)*
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- What is reckonable service?
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- Does this mean I lose out in pension benefits?

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- What will happen to my reserved rights to commutation under AFPS 75 after A-Day (tax changes)? *(updated 18/07/07)*

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- What is the purpose of the short term pension? *(updated 10/09/07)*
- Why are partners not eligible for non-attributable pensions in AFPS 75? *(updated 10/09/07)*
- How do I know whether my partner would be eligible for attributable benefits?

INCREASING YOUR BENEFITS

These questions are being updated.

SPOUSE/PARTNER/CIVIL PARTNER

- Will AFPS 75 provide benefits for my partner if I die? *(updated 18/07/07)*
- If I die after leaving service but before I get my preserved pension, what happens to my pension lump sum? *(updated 10/09/07)*
- I have a same-sex partner and we intend to register our partnership under the Civil Partnership Act (CPA) 2004. How might this affect my partner's pension benefits if I die? *(updated 10/09/07)*
- What about children? *(updated 10/09/07)*

DIVORCE

- Why, when I finally get my pension, will my Pension Debit be larger than the amount transferred to my ex-spouse's Pension Credit account? *(updated 10/09/07)*
- When do the changes to the age when a Pension Credit Member (PCM) can draw their pension come into effect ?
- Can you give me a forecast of my pension less my pension sharing order?

RE-EMPLOYMENT

- I intend to leave at the Immediate Pension (IP) Point in AFPS 75. If, later, I were to rejoin the Regulars, join FTRS or MPGS, what would happen to my IP and lump sum? *(updated 10/09/07)*
- If I leave Regular service then rejoin would I have to go into AFPS 05? *(update 18/07/07)*
- If I am re-employed after receiving an IP and Terminal Grant would my lump sum on finally leaving service be affected? *(updated 10/09/07)*

PENSION AGE

- Is there a change in pension age in public service schemes? *(updated 10/09/07)*
- Why was the preserved pension age in AFPS 75 for existing members of the Armed Forces changed to age 65 for service from 6 April 2006? *(updated 10/09/07)*

REDUNDANCY

- What are the redundancy terms? *(updated 28/10/05)*
- If I am selected for redundancy under the current round of redundancies, but have opted to transfer to the AFPS 05, must I return to AFPS 75 to take advantage of the higher redundancy benefits?
- Why are the redundancy compensation provisions not the same for both the AFPS 75 and the AFPS 05?
- What happens if I am made redundant from April 2008?
- If after leaving the Armed Forces on redundancy I develop a medical condition will I be prevented from making a claim for ill health benefits? *(updated 10/05/06)*

MPGS

- Am I entitled to a pension paid immediately if I leave the MPGS at age 55? (*updated 10/09/07*)

Why are pension provisions for officers and other ranks different? *(updated 10/09/07)*

Officers and other ranks have always been treated differently, with separate terms and conditions of service and separate pension schemes (Officers retired pay and Other Ranks Pensions). Both Officers and Other Ranks have the same maximum service age of 55 years. However Other Ranks start their career from age 18 and serve to age 55 which would give them a full career maximum of 37 years, whereas, Officers start their career from age 21 and serve to age 55 giving them a full career maximum of 34 years. The two pension schemes accrue pension benefits at different rate which reflects the difference in career their structure.

What is a Premature Voluntary Retirement (PVR) rate? *(updated 10/09/07)*

This only relates to officers. Two pension codes are produced: the standard (or PVR) rate showing an even accrual and an enhanced rate showing a higher accrual rate up to 29 years. Officers who choose to leave after reaching the Immediate Pension Point (IPP) but before completing the end of their commission are paid standard rates of pension, whereas those who leave on compulsory terms are paid at the enhanced rate. After 29 years' service these rates equate to immediate pension rates.

Why do Officers get a full career pension after 34 years and Other Ranks after 37 years? *(updated 10/09/07)*

The pension scheme for Officers and Other Ranks are two separate schemes and take into account the different career structures. For Officers' the maximum service that can be attained from age 21 is 34 years and for Other Ranks the maximum service that can be attained from age 18 is 37 years. Therefore, Officers' pension benefits build up at a faster rate than Other Ranks. However, a full career pension at age 55 is worth 48.5% of representative pay for both officers and other ranks, although other ranks would have to serve longer to reach this.

What pension do I get at the Immediate Pension Point (IPP)? *(updated 10/09/07)*

Officers get a pension worth 28.5% of representative pay after 16 years' reckonable service from age 21, while other ranks get a pension worth 32% of representative pay after 22 years' reckonable service from age 18.

What happens if I am invalided from the Armed Forces? *(updated 10/09/07)*

If you have completed at least two years' but less than five year's reckonable service you will be entitled to a Service Invaliding Pension (SIP), payable immediately, assessed using preserved pension rates. You will also receive a terminal grant of three times the pension.

If you have completed five or more years' reckonable service, you will be entitled to a SIP, payable immediately, based on an enhancement (using the SIP rates which are higher than the preserved pension rates) to your length of service and on your rank. You will also receive a terminal grant of three times the pension.

Am I covered if my injury or illness is caused by service? (updated 10/09/07)

Yes, depending on the date of your injury or illness you will be covered either by:

- the Armed Forces Attributable Benefits (AFAB) and the War Pensions Scheme (WPS) for injuries and illnesses caused by service **before 6 April 05**
- the Armed Forces Compensation Scheme (AFCS) if your injury or illness is caused by service **on or after 6 April 05**.

It does not matter which pension scheme you belong to.

If I was seconded to NATO after 1 October 2005 and a member of the NATO Pension Scheme, what are my options on return to the British Armed Forces?

(updated 10/09/07)

The NATO Pension Scheme will give you a single tax-free lump sum if you leave it without building up 5 years' reckonable service. The size of the lump sum will depend on the stock market. You can either keep this sum or the whole amount can be given a Cash Equivalent Transfer Value (CETV) and used to buy additional reckonable service to make up for the period you were out of the Armed Forces Pension Scheme.

Who can I contact for further information? (updated 10/09/07)

In the first instance you should contact your unit admin office. An alternative contact is:

- the **JPAC Enquiry Centre** – *For personal specific questions relating to all schemes including pension sharing orders and life commutation estimates.*

Email: JPAC@spva.mod.uk

Tel: Freephone: 0800 085 3600 MOD: 94560 3600
Overseas: +44 141 224 3600

Address: JPAC Enquiry Centre,
Mail Point 403,
Kentigern House,
65 Brown Street,
GLASGOW,
G2 8EX

Why was the preserved pension age increased from 60 to 65?

Prior to 6 April 2006 all personnel who were in AFPS 75 and left before the immediate pension point having completed at least two years reckonable service had their benefits paid at age 60. For service after 6 April 2006 the preserved pension age is 65. The reasons for the increase to the preserved pension age was to take account the impact of longevity on public sector schemes.

What is reckonable service?

All paid service from age 18 for other ranks and age 21 for officers (including cadetships) is reckonable towards pension.

What is the difference between reckonable service and qualifying service?

Qualifying Service

This includes: paid service in the Armed Forces; service transferred in from another scheme; any period of service with NATO/UN or similar collaborative arrangement in respect of which the member has repaid all elements of their severance payment to buy back the service they missed whilst on secondment, supplemented by a 'top up' from the project which sent them.

Note: Only actual service counts towards an Immediate Pension. Transferred-in service does not count towards Qualifying Service for an Immediate Pension.

Reckonable Service *(updated 10/09/07)*

Reckonable service is the service which counts towards a member's pension. For Officers this starts at age 21 (or date of entry if later) for a maximum of 34 years and for Other Ranks at age 18 (or date of entry if later) for a maximum of 37 years. The value of any pension benefits transferred in from another scheme increases the service which counts towards a member's final pension and therefore counts towards the 2 year minimum required to qualify for pension benefits. Credit resulting from the purchase of added years also counts towards reckonable service for full career and preserved pensions. Certain absences are not reckonable for pension purposes, such as a period of detention, unauthorised absence or unpaid leave.

Note: Only actual service counts towards an Immediate Pension. Transferred-in benefits and credits resulting from the purchase of added years **do not** count towards reckonable service for an Immediate Pension.

	Qualifying Service	Reckonable Service
Actual paid service	✓	✓
UN/NATO time bought back	✓	✓*
Added years	✗	✓*
Transfers in	✗	✓*
Aggregated time	✓	✓

* Although this period of service is Reckonable Service and counts towards the level of pension benefits payable it does not count towards the minimum period of 16 years reckonable service for officers and 22 years reckonable service for other ranks for an immediate pension.

Why is my previous reckonable service as an other rank that was pensionable, not pensionable if I am commissioned from the ranks?

When you are commissioned from the ranks you sign onto a new contract with different terms and conditions of service. Officers earn pension benefits from age 21, compared with age 18 for other ranks.

Does this mean I lose out in pension benefits?

No, as pension benefits build up at different rates (accrual) and officers can earn a full career pension after 34 years in comparison with other ranks who earn a full career pension after 37 years.

What will happen to my reserved rights to commutation under AFPS 75 after A-Day (tax changes)? *(updated 18/07/07)*

Resettlement Commutation – Rights to commutation in respect of pension earned before 6 April 2006 are unchanged – you need to apply no later than 12 months after leaving service and can commute up to a maximum of 50% of your pension entitlement (this excludes the Terminal Grant) for service prior to 6 April 2006. However, for pension in respect of service after that date the maximum pension that can be commuted has been reduced. The total lump sum realised **cannot** be more than 25%, inclusive of the proportion of Terminal Grant accrued after 6 April 2006. In addition the decision to commute must be made before the pension comes into payment. Therefore, to maximise the amount of resettlement commutation you can receive you need to apply before leaving the Armed Forces otherwise only service before 6 April 2006 can be commuted. However you are only allowed one application.

Life Commutation – You retain full reserve rights to life commutation. The new A-Day rules do not apply to life commutation.

What is a Short Term Pension (SIP)? *(updated 10/09/07)*

It is to provide families with continuity of income over a difficult period following a member's death.

Why are partners not eligible for non-attributable pensions in AFPS 75? *(updated 10/09/07)*

It has been the long-standing policy of successive governments that discretionary changes to improve the benefits from public service pension schemes should be implemented from a current date for future service only. The AFPS 05 covers partners where the death is not attributable to service.

How do I know whether my partner would be eligible for attributable benefits?

There is a DCI JS 3/04 which lays out the eligibility criteria for partners. There is a link to this document on the 'Find Out About Armed Forces Pension Scheme 1975' page.

INCREASING YOUR BENEFITS

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ADDITIONAL VOLUNTARY CONTRIBUTIONS AND ADDED YEARS

These questions are being updated

SPOUSE/PARTNER/CIVIL PARTNER

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[See "Family Pension Benefits" booklet – MMP/114]

Will AFPS 75 provide benefits for my partner if I die? (updated 18/07/07)

No benefits are paid to partners in AFPS 75, unless the death is due to service and the relationship is deemed substantial. You can find out more about partner eligibility in DCI JS 3/04.

If I die after leaving service but before I get my preserved pension, what happens to my pension lump sum? (updated 10/09/07)

The tax-free lump sum of three times pension is paid to the spouse or civil partner. If neither exists, it is paid to the estate. The lump sum is also paid if you die whilst in receipt of an Immediate Pension, but is increased by inflation since you left service.

Eligible partners of members who gave pensionable service on or after 15 September 2003, may be eligible for attributable benefits under AFAB where the death of the member is caused by service and the relationship was substantial. Benefits are **not** payable to eligible partners where the death is not found attributable.

To nominate an eligible partner you should contact the **JPAC Enquiry Centre**:

Email: JPAC@spva.mod.uk

Tel: Freephone: 0800 085 3600 MOD: 94560 3600 Overseas: +44 141 224 3600

Address: JPAC Enquiry Centre,
Mail Point 403,
Kentigern House,
65 Brown Street,
GLASGOW,
G2 8EX

I have a same-sex partner and we intend to register our partnership under the Civil Partnership Act (CPA) 2004. How might this affect my partner's pension benefits if I die? (updated 10/09/07)

AFPS 75 provides benefits to a civil partner in the same way spouses receive benefits. This applies to personnel who were in service at or after the commencement of the CPA in December 2005. For personnel who left before this date, civil partners will be treated in the same way as widowers.

What about children? (updated 10/09/07)

A child/children whose parents were married when he/she was born and born no later than 12 months after the member's death. In certain circumstances the definition can include: a child/children whose parents are not married when they were born, a stepchild/children, an adopted child/children (further details of eligible children, including children of unmarried partners, can be obtained from the SPVA).

In all cases the child/children must be financially dependent on the AFPS member and aged 16 or under or receiving full-time education or training or not able to support themselves due to disability. The disability must have been present before the member's death.

Children born of a relationship entered into after the AFPS 75 member leaves the Armed Forces are not eligible for benefits under the AFPS 75 Scheme.

The Family Pension Benefits Booklet – MMP/114 outlines the benefits provided for eligible children.

Why, when I finally get my pension, will my Pension Debit be larger than the amount transferred to my ex-spouse’s Pension Credit account? *(updated 10/09/07)*

The Pension Debit, as annotated on your pension file, may need to be increased for two reasons. The first reason is that the debit is not at the prices current at the date when your pension becomes payable, and therefore needs to be re-valued. The second reason is relevant for those who were entitled to an immediate pension from the scheme when the pension sharing order was made. For such cases, the pension debit was assumed to come into payment at the date the pension sharing order was made. To ensure the scheme recovers the same total amount from you before you die. The pension debit increases for each year that you delay drawing your pension, because there will be one less year in which to recover the debit.

When do the changes to the age when a Pension Credit Member(PCM) can draw their pension come into effect ?

Currently, the earliest age a Pension Credit Member (PCM) can draw their pension resulting from a PSO is age 65. For all PSOs sealed after 6 April 09, PCMs can draw their pension from age 55. Any PCMs who had their PSO sealed before 6 April 09 can apply to have their pension actuarially reduced and paid from age 55.

Factors are not yet available to work the actuarial reduction when these become available more information will be posted with details how to apply.

Can you give me a forecast of my pension less my pension sharing order?

Not accurately. When the order was made, its value in £’s and pence was calculated and annotated on your file. That value was credited to your ex-spouse’s account to be held until she is age 60 for pension shares sealed before 6 April 2006 and 65 for pension shares sealed on or after that date (these are the preserved pension ages for AFPS 75 at the time of your divorce).

When your preserved pension is due to be paid, the annotated amount is increased in line with pension increases (which rise more slowly than pay). This increase amount will then be subtracted from your pension, which will be calculated using your final pensionable pay. Although AFPAA at Glasgow will be able to tell you the value of the amount to be deducted at today’s value, but they will not be able to project for the future, as they do not know what rate of increases will apply.

I intend to leave at the Immediate Pension (IP) Point in AFPS 75. If, later, I were to rejoin the Regulars, join FTRS or MPGS, what would happen to my IP and lump sum? *(updated 10/09/07)*

Your IP will be abated (in whole or in part) on re-employment to ensure that your new salary plus your pension do not together exceed your salary at departure. This is the usual abatement rule in public service pension schemes. Your IP lump sum is not affected provided your break in service is over 30 days.

If I leave Regular service then rejoin would I have to go into AFPS 05? *(update 18/07/07)*

No, if you rejoin within 30 days of leaving Regular service you can remain in AFPS 75 as service would be classed as continuous service or you can opt to join AFPS 05. However, if the break in service is longer than 30 days you will automatically go into AFPS 05.

If I am re-employed after receiving an IP and Terminal Grant would they be affected? *(updated 18/08/05)*

It depends on which pension scheme you are a member of on re-employment.

- **If you re-join AFPS 75** – Your IP will be suspended for the duration of your re-employment and you will have to repay all or part of your Terminal Grant. Your IP will be put back into payment when you finally leave Armed Service and you will accrue further pension (up to the scheme maximum of 34 years for officers and 37 years for other ranks) for this period of service.
- **If you join AFPS 05** – Your new service stands alone because you have already received your IP and Terminal Grant. Your IP will be suspended or reduced to ensure that your overall earnings by way of pension and pay do not exceed your earnings (uprated for inflation) on the day before you first retired. The pension lump sum you would receive on finally leaving the Armed Forces would only be in respect of the re-employed service. If you leave before the normal retirement age of 55 the benefits for the re-employed service would be payable at the preserved pension age of 65.

Is there a change in pension age in public service schemes? (updated 10/09/07)

The Government's long term aim is that public service pension schemes should introduce a pension age of 65 as soon as possible. Currently, the Armed Forces remain an exception to this as, along with the Police and Fire Services, they already have an earlier normal pension age of 55, which MOD argued strongly to the Treasury continued to be justified in the new AFPS 05.

Why was the preserved pension age in AFPS 75 for existing members of the Armed Forces changed to age 65 for service from 6 April 2006? (updated 10/09/07)

The Government has made clear the need to contain the long-term increase in the cost of pensions for the Armed Forces, arising from pensioners living longer. With the full support of the Chiefs of Staff, MOD decided that this burden should be shared between existing and new personnel.

This change was announced in Defence Internal Brief 19/05 on 7 April 2005. Preserved pensions for Service up to and including 5 April 2006 will continue to be paid from age 60. However, preserved pensions for service from 6 April 2006 will be payable from age 65. Provision will be made to allow members to choose to receive this element of their pension at age 60 on an actuarially reduced basis. The argument for making this change was strong, especially as the Treasury allowed MOD to use half the savings from the change to increase the death in service lump sum in AFPS 75 from 1 to 1 ½ times representative pay to three times representative pay.

What are the redundancy terms? *(updated 28/10/05)*

The existing terms will continue for AFPS 75 members for the duration of the current drawdown which is due to complete by 31 March 2008. These terms will then be replaced by less generous terms, which are expected to be broadly comparable with the new AFPS 05 terms up to the mid-career break point, but, generally, significantly more valuable thereafter, though the gap will narrow as the normal retirement age is approached. Those made redundant before 31 March 2008 but after they have elected to transfer will have the opportunity to revert to membership of AFPS 75 to take advantage of the existing provisions.

If I am selected for redundancy under the current round of redundancies, but have opted to transfer to the AFPS 05, must I return to AFPS 75 to take advantage of the higher redundancy benefits?

Yes. You will need to return to AFPS 75 to take advantage of the higher redundancy benefits, but you will then not be eligible for AFPS 05 benefits. However, redundancy compensation is only one element of the range of benefits offered under the two pension schemes and therefore should not be viewed in isolation, but as part of a total package.

Why are the redundancy compensation provisions not the same for both the AFPS 75 and the AFPS 05?

The redundancy provisions are different as they are designed to support two very different pension schemes. The 2005 terms also reflect changes across the public sector on redundancy policies. The main reason for the difference is due to the lower value of EDP when compared with the IP payable under the AFPS 75.

What happens if I am made redundant from April 2008?

New arrangements will be put in place for members of both schemes. AFPS 75 benefits are generally expected to remain more valuable than those relating to AFPS 05 members, particularly for those made redundant between the IP/EDP points and the mid-40s.

If after leaving the Armed Forces on redundancy I develop a medical condition will I be prevented from making a claim for ill health benefits? *(updated 10/05/06)*

Ill-health benefits are only payable under AFPS 75 and AFPS 05 if you are invalidated from Service; you will not therefore be entitled to these benefits if you are made redundant. If, however, your condition is due to service, you may still claim under the War Pensions Scheme, or the Armed Forces Compensation Scheme.

Am I entitled to a pension paid immediately if I leave the MPGS at age 55?

(updated 10/09/07)

If you left regular service with an Immediate Pension (IP) before being re-employed as MPGS, your pension will restart on leaving at age 55 (it will have been reduced during the time of your MPGS service to ensure that MPGS pay plus pension did not exceed your pay rate when you left service the first time). A separate pension will be awarded for your MPGS period of service payable at your preserved pension age.

	AFPS 75	AFPS 05
What happens if I leave Regular service and join MPGS within 30 days?	Classed as continuous service so will rejoin AFPS 75. Can choose to aggregate Regular service with MPGS service but need to consider carefully as MPGS rank often lower than Regular rank.	Can choose to aggregate Regular service with MPGS service but need to consider carefully as MPGS rank often lower than Regular rank.
What happens if I leave Regular service with a preserved pension and join MPGS after 30 days on or after 6 Apr 05?	Cannot join AFPS 75 for MPGS service If earlier service not aggregated and 22 years' service not completed cannot receive pension immediately. Pension is preserved until age 60/65.	Join AFPS 05. Can aggregate earlier service or, if the preserved pension is in AFPS 75, can transfer it to AFPS 05. If leave MPGS at age 55 MPGS pension paid immediately. Non-MPGS service pension paid at age 65 if not aggregated.
What happens if I leave Regular service with an Immediate Pension and join MPGS?	IP abated whilst in MPGS service. Can choose to aggregate and receive one final award on leaving MPGS providing you do not crystallise IP.	
What happens if I leave Regular service with an EDP and join MPGS?		EDP stops. See re-employment booklet for implications of repayment of EDP lump sum. If you leave MPGS before age 55, your EDP income and lump sum will be recalculated to reflect the additional service. If you leave MPGS at or after age 55, pension paid immediately.