



**Ministry
of Defence**

Veterans UK 2015 - ARMED FORCES PENSION SCHEME (AFPS) NEWSLETTER

Dear Pension Member,

This is your 2015 AFPS newsletter, which contains information on your pension increases and instructions on how and when to contact Veterans UK and Equiniti Paymaster (EP).

How you can contact us for further help or information

JPAC Enquiry Centre

You can call the JPAC Enquiry Centre who can help to resolve your pension enquiry. The service operates from Monday to Friday 7am to 7pm. Should you have any AFPS queries, you can contact them on:

- 0800 085 3600 from the UK or 0044 141 224 3600 if calling from abroad.

When making contact, please make sure that you quote your Service and National Insurance number or the Service and National Insurance number of the person to whom the pension relates. We aim to respond fully to your enquiry within ten working days or sooner if possible. Alternatively, you can contact us by:

- email at DBS-PensionsHelp@dbspv.mod.uk or by post at:
- Veterans UK, Pensions Division, Mail Point 480, Kentigern House, 65 Brown Street, GLASGOW, G2 8EX

Equiniti Paymaster (EP) - Communications Centre

EP makes the payment of all Armed Forces Pensions on behalf of Veterans UK. Where we refer to EP in this letter, it means that this is part of the process that they deliver on behalf of Veterans UK.

Enquires relating to pension payments, changes to your banking details and P60 information should be directed to the EP Communications Centre. The service operates from Monday to Friday 8am to 6pm and you can contact them on:

- **Telephone:** 0845 121 2514. From abroad: 0044 1903 768625 **Fax Number:** 01293 604010

Lines are very busy on Mondays so if your call is not urgent, you may find it more convenient to contact EP from Tuesday to Friday. When contacting EP, please make sure that you quote your EP Reference number and National Insurance number and provide a daytime telephone number if possible.

EP should respond to your enquiry within five working days although it may take up to ten working days for a reply to be dispatched during busier periods. If you telephone, fax or email EP it may be necessary for them to reply by post. EP contact details are as follows:

- **Postal address:** Equiniti Paymaster, PO Box 1246, Sutherland House, Russell Way, CRAWLEY, RH10 0HZ
- **Email:** Veteransukpensions@equiniti.com

Please keep this Newsletter somewhere safe so that you can access the contact details you need if you have a pension query during the coming year.

Annual Pension Increase

You may be entitled to a cost of living increase to your pension payment if you:

- are over age 55
- receive a pension for ill health or;
- if you are a widow, widower, civil or eligible partner or in receipt of a child's pension

Subject to final Parliamentary approval the increase will be 1.2%, based on the rise in consumer prices for the 12 months ended 30 September 2014. Any increase will be paid from 6 April 2015. You may be paid a lower or zero percentage if your pension started on or after 22 April 2014. Details of any percentage increase and the new yearly rate will be shown on your EP advice note or payable order counterfoil. The advice or counterfoil will also give a forecast of your next payment.

Guaranteed Minimum Pension (GMP)

The following will only apply if you retired from the Armed Forces after 5 April 1978 and were employed up to or before 5 April 1997.

AFPS contracted out from State Earnings Related Pension Scheme (SERPS) but by law have to pay a pension benefit at least as good as that paid out by SERPS. This amount is known as your GMP.

Her Majesty's Revenue & Customs (HMRC) tell us how much of your pension the GMP amount forms at State Pension Age (SPA). This is not an additional amount to be paid, as it forms part of your existing pension.

The Pensions Service, which is part of the Department for Work and Pensions (DWP), is responsible for paying part of any annual pension increase on your GMP with your State retirement benefits. This will be shown on your annual pension statement, issued by the Pensions Service to you, and may be referred to as Contracted Out Deductions (COD).

EP must allow for this when calculating any increase on your pension to avoid you receiving an increase on the same amount of GMP twice. GMP may be in two parts:

- for the period 5 April 1978 to 5 April 1988, and
- for the period 6 April 1988 until you left the service (or 5 April 1997 whichever is the earlier).

If you left service prior to 6 April 1988 there will be one part to your GMP. Any increase will apply to the part of your GMP that was earned **after** 5 April 1988 and we will pay this with your Armed Forces Pension, but only up to a maximum of 3%.

Any increase above 3% and **all** of any increase on the GMP amount earned **before** 6 April 1988 is paid by DWP with your state benefits. However, a further change in the law (Pensions Act 1995) means that we will pay any increase in full on all the benefits earned after 5 April 1997.

Sometimes we may not have been made aware of the value of your GMP in time for us to recalculate your payments. If this happens it may mean that you receive an increase on your GMP with your Armed Forces Pension and your State Pension, which in turn will result in a small overpayment to you.

We will adjust your pension payments later to take this into account, and EP will write to you in advance to let you know about this.

If you have deferred claiming your State Pension, and are not receiving increases on your GMP from the State, please contact HMRC and ask them to ensure that they send EP the correct notification in respect of GMP. The address to write to is as follows:

HMRC NICO, Benton Park View, NEWCASTLE UPON TYNE, NE98 1ZZ. Telephone 0300 200 3500.

Your Tax Code and P60

HMRC tells EP how much tax to take from your pension. If you wish to ask about your tax code or tax liability you should contact HMRC at the following address:

- HM Revenue & Customs, Pay As You Earn, BX9 1AS. Telephone: 0300 200 3300

You must quote your National Insurance number and PAYE reference, which can be found on your pension advice note or form P60. You may also need to quote your EP reference number. Your P60 will give you details of the pension we have paid you and the tax deducted in your previous tax year. You will not receive a P60 if tax was not deducted. If you paid tax on your pension, you will receive your P60 by mid May each year.

The amount before tax shown on your P60 is usually different from the yearly rate paid for most of the year, this is because:

- The first payment you received in the tax year included one or more days before the last increase;
- Your pension started during the tax year or;
- It was not paid in full for the whole tax year.

Advice of Payment

The advice of payment note or counterfoil EP send you will tell you about any changes to the tax code applied to your pension, details of your pension and a forecast of your next payment.

If your circumstances change

If you change your address, bank or building society details you must inform EP straight away in writing or by telephone. Similarly if you have any queries about taxation please direct them to EP, or you need to submit Court of Protection Order or Power of Attorney documents, these should be sent to EP for registration and return.

Important - Please do not use email to notify changes in personal details.

If we discover that we do not hold up to date details, we may have to suspend your pension. You need to tell us the following

- Details of all pensions (if you receive more than one)
- your National Insurance number or
- pension reference

Life Time Allowance (LTA) Queries

Any Life Time Allowance (LTA) enquiries should be submitted in writing to the Veterans UK address shown on page 1.

About your Method of Payment

If you are currently paid by payable order, you may wish to consider changing to have your pension payment made directly into your bank account. There are advantages to having your payments made directly into your bank account, such as:

- It is a more secure method of payment
- You don't have to go to the post office or your bank or building society every month to cash the order
- You don't have to do anything once the payment method is set up, unless you want to change the account it is paid in to
- The money is available to you as soon as it is credited to your account

Your Pension on Death (Please share this information)

You must ensure that your next of kin or other representatives are aware that in the unfortunate event of your death, they must inform EP as soon as possible. Your pension is due up to and including the date of your death and any payments made after this will be classed as overpayments and will be recovered by EP. This may be by asking the bank or building society account to refund any pension paid after the date of death. If you have your pension paid into a joint account, it is important that the other account holder is aware of this.

Survivor Pensions - Your spouse, civil or entitled partner will need to complete an application form so we can establish entitlement. The form can be requested from Veterans UK. Help and advice is available to them and they can ask for this by contacting the JPAC Enquiry service.

Pensions for Spouses and Dependents - If you are married, in a civil partnership or are in a substantial relationship, your spouse/partner may be entitled to a Forces Family Pension (FFP). Eligibility is dependent upon whether you were a member of AFPS 75, AFPS 05 or Reserve Forces Pension Scheme (RFPS) on the date you left the Armed Forces.

AFPS 75

Widows - If your marriage took place before you left Regular Armed Forces Service, it is likely that your widow will be entitled to a FFP:

- If your marriage took place after you left Regular Armed Forces service and your date of leaving was on or after 6 April 1978 there may be an entitlement to a FFP based solely upon pensionable service earned from 6 April 1978 onwards.
- If your marriage took place after you left Regular Armed Forces service and your date of leaving was prior to 6 April 1978 there will be no entitlement to a FFP.

Widowers/Civil Partners - To be eligible for a pension you must have served on or after 1 October 1987. If the marriage / civil ceremony took place during Active Service there will be an entitlement to a pension based on your total Service. However; if the marriage / civil ceremony took place after your retirement the pension entitlement will be based on Service from 6 April 1978.

Eligible Partner - Your partner may be eligible to receive a pension where death has been deemed to be attributable to Service causes under either the AFCS or WPS. For a partner's pension to be awarded you must have:

- Given service on or after 15 September 2003, and;
- Have been in a substantial and exclusive relationship at the time of death and;
- Both have been free to marry.

Rates Payable - If you left service before 1 April 1973 your spouse will receive a pension of 1/3 of your basic pen-

Rates Payable - If you left service before 1 April 1973 your spouse will receive a pension of 1/3 of your basic pension, no Short Term Family Pension (STFP) is payable. If you left service after 1 April 1973 and did not buy into the Half Rate Widow's Scheme your spouse will receive a pension as follows:

- For service before 1 April 1973 – 1/3 of the basic pension earned by service before 1 April 1973.
- For service after 31 March 1973 – 1/2 of the basic pension earned by service after 31 March 1973.

If you left service after 1 April 1973 and did buy into the Half Rate Widow's Scheme or all your service is after 31 March 1973 your spouse will receive half of your basic pension. If you married after your discharge your spouse will receive half the basic pension earned by your service given after 6 April 1978.

A STFP equal to your rate of pension in payment at the time of your death will be paid for 91 days to your spouse. This may be increased to 182 days if there are any eligible children.

Survivor Benefits on Re-marriage / Forming a Partnership / Cohabitation - From 1 April 2015

If you receive a FFP and you decide to re-marry or form a civil partnership or cohabit your pension benefits will not be affected. You should however inform EP of your change in circumstances in order that your records can be updated.

Veterans in receipt of an attributable pension from AFPS 75 with a condition that entitles them to a payment under the War Pension Scheme and widows and dependants of those veterans who died on or after 1 April 2004

If you are a Veteran who falls into the above category or you are a widows/dependants of a Veteran in that category, you should be aware that if an attributable pension is being paid under AFPS 75 or was being paid to a Veteran on their death, due to an attributable invaliding condition, it will not automatically follow that an Attributable Forces Family Pension will be paid to any widow and/or dependants.

In these circumstances, even when death has been accepted as attributable to service under the WPS, the AFPS has the right to carry out a Discretionary Awards Review. This is to ascertain, on the balance of probabilities, whether the death was caused by the invaliding condition and the date of death occurred on or after 1 April 2004. This is because the burden of proof used to determine attributability under the WPS is different from that used under the AFPS.

The Discretionary Awards Review will determine whether there is a connection between the cause of death and service. If there is no connection an Attributable Forces Family Pension will **not** be paid. In these cases a pension would be paid by the WPS and where there is an entitlement, a non attributable Forces Family Pension will be paid under AFPS 75.

AFPS05 and RFPS.

Spouses/Civil Partners/Eligible Partner - Pensions are paid to surviving spouses, civil partners, eligible substantive partners and are payable from the day after death. You must have had at least 2 years qualifying service.

A spouse, civil partner or partner's pension will be calculated by multiplying your final pensionable earnings by 1/112 (adjusted to allow for increases in price inflation between retirement and death) and then by your reckonable service. The maximum reckonable service which may be used in this calculation is 37 1/3 years. If you are in receipt of an ill health pension the enhanced reckonable service used to calculate your pension will also be used to calculate your spouse's, civil partner's or partner's pension.

The figure will be approximately 62.5% of the member's pension but may be less. For example if the spouse, civil partner or eligible partner is more than 12 years younger than the member, their pension will be reduced by 2.5% for every complete year that they are younger than the member. This is subject to a maximum reduction of 50%. Spouse's, civil partner's and partner's pensions are paid for life and are taxable.

Survivor Benefits on Remarriage or Forming a Partnership - Your pension benefits will not be effected if you decide to remarry or live with another person as husband and wife or form a civil partnership.

Forecasts

Any requests for a dependants forecast should be submitted in writing to the **Veterans UK** at the address shown on page 1 (not to EP). You will need to quote your Service number and National Insurance number and the date of your marriage. Failure to supply this information may delay your forecast of benefits and in particular if you fail to quote your date of marriage we will assume that you married your spouse during service and we will base the forecast on the full widows/ers entitlement. One free forecast of benefits can be supplied within a 12 month period, others can be obtained but a charge will apply.

Child Benefits

Children's pensions are payable up to the age of 17 (AFPS 75) or age 18 (AFPS 05/RFPS). Payment may be extended in certain circumstances such as further education or incapacity beyond this age but unless the pension has been extended due to incapacity the pension will cease at the age of 23.

If your payments are extended you must tell us immediately if that child ceases full time education or training or if there are any other changes in circumstances that may affect payment. If your child wishes to take a gap year be-

there are any other changes in circumstances that may affect payment. If your child wishes to take a gap year between secondary school education and returning to pursue a full time course in higher education or training this must be applied for in advance of the commencement of the gap year. Failure to do this can result in the pension not resuming when the child returns to higher education or training.

Armed Forces Bereavement Scholarship Scheme

This scheme gives children, whose parent has died predominantly due to their service, a head start in life by providing financial support towards further education training and/or a university degree. The scheme is for those bereaved since 1 January 1990 where the parent died whilst serving in HM Armed Forces. The scholarship is paid for a maximum of 3 years for further education and for the first undergraduate course in a UK higher education institution.

If you need any further information please call the Veterans UK Helpline on 0808 1914 218.

Life and Resettlement Commutation

The Finance Act 2004 contained provisions for the running of tax privileged pension schemes. These are the Pension Tax Simplification rules. Payments which contravene these are classified as unauthorised payments. If an unauthorised payment is made by AFPS there are significant tax penalties on the individual pensioner and a further tax charge made to the pension scheme. These tax penalties can last for the rest of the pensioner's lifetime.

The Pension Tax Simplification rules declare that a member's pension may not be reduced once it is in payment. This means that you can **no longer** make an application for Life or Resettlement Commutation once you have left Service. If the AFPS allowed you to do so any lump sum raised by commutation would not be tax free, your pension would become an unauthorised payment and be taxed at 40% above your normal rate of tax. This level of taxation would continue for as long as your pension is in payment. There would also be a tax charge applied to AFPS. As a result post-service applications for commutation will not now be accepted.

HMRC have given transitional permission to allow those who left Service on or before 5 April 2006 and who are currently in receipt of Resettlement Commutation to follow it IMMEDIATELY with Life Commutation (where entitlement exists, meaning the pension does not reduce). If you intend to apply for Life Commutation following Resettlement Commutation, you should apply for this 6 months before you reach age 55 to allow all processes to be completed.

Pension Sharing On Divorce

Where a decree of divorce was granted after 1 December 2000, a Court can make a pension sharing order following the divorce. More details on this can be found in MMP/131 which is available by searching for Armed Forces Pensions on Divorce on GOV.UK or by writing to the Pensions on Divorce Team at the Veterans UK address shown on page 1.

Former Spouse Pension Credit Age

Pension Credit Members (PCMs) who are entitled to pension benefits as a result of a Pension Sharing Order, can claim their pension from age 55. Pensions are actuarially reduced to accommodate this revision. Should any Former Spouse PCM wish to enquire about this option, they should write to The Pensions on Divorce Team at the Veterans UK address shown on page 1.

National Fraud Initiative

Veterans UK are participating in the National Fraud Initiative. This is a data matching exercise against other public sector data systems, to help detect incorrect and fraudulent payments. Veterans UK have a legislative duty to protect the public funds they administer and may use the information held in connection with your pension for the prevention and detection of fraud. Pension information will be shared with other Government departments for these purposes only.

War Pension and Armed Forces Compensation Schemes

If you have any enquiries about the War Pension Scheme or the Armed Forces Compensation Scheme please contact Veterans UK at the following address:

- Veterans UK Norcross, Tomlinson House, Thornton Cleveleys, LANCASHIRE, FY5 3WP
- Email: Veterans-UK@mod.uk
- Free Veterans UK Helpline(UK only) 0808 1914 218
- Free Veterans UK Helpline(Overseas) 0044 1253 866043
- Text phone 0800 169 34 58

Armed Forces Independence Payment (AFIP)

AFIP was put into place in April 2013 as an additional benefit under the Armed Forces Compensation Scheme (AFCS) to ensure that seriously injured Service and Ex-Service personnel with an AFCS award do not suffer financial detriment because of the introduction of Personal Independence Payments by the DWP. The qualifying criteria for an award of AFIP is entitlement to a Guaranteed Income Payment at the rate of 50% or above. Any enquiries should be sent by e-mail to DBS-OPPT@MOD.UK. Information on how to make a claim can be found by visiting www.veterans-uk.info.

Veterans Welfare Service

Veterans are entitled to access the services of the Veterans Welfare Service. They offer help and advice in relation to War Disablement Pensions, Armed Forces Compensation Scheme, Armed Forces Pension Scheme, Welfare Issues, State Benefits and ex-Service charities. Contact them on 0808 1914 218 or 0044 1253 866043 if calling from abroad or visit our website: www.veterans-uk.info

What to do if things go wrong

We make every effort to get things right, however, occasionally things go wrong. We deal with all complaints as quickly as possible and do everything we can to put things right.

Veterans UK - If you have a query about the pension that you have been awarded, please get in touch with us at the Veterans UK Pensions Division at the address shown on page 1. Please telephone or write to us with details of your concern. We will try to respond fully within ten working days; however this is not always possible as we may have to contact another organisation.

If you wish to make a complaint regarding the service you have received please write to: Veterans UK, JPA Complaints, Mail Point 335, Kentigern House, 65 Brown Street, Glasgow, G2 8EX.

EP - If you have a query about the payment of your pension into your bank account, its taxation or GMP, this should be directed to EP. Please telephone or write to them at the address shown on page 1 and they will aim to provide you with an answer within ten working days.

If you are not satisfied with the way that your EP enquiry has been handled, please write to the Armed Forces Pension Service Manager at EP who will look into the matter urgently. Following this, should a complaint remain unresolved, you may write to the General Manager, Payment Services, at EP.

Internal Disputes Resolution Procedure

If you have a dispute that you cannot resolve about your pension, you may ask for your case to be looked at under Internal Dispute Resolution Procedure (IDRP). However, the normal complaints procedures (above) **should** be exhausted before invoking the IDRP. Details of the IDRP are contained in a MOD brochure called AFPS Dispute Resolution Procedures which can be found at www.gov.uk

If you disagree with the decision after the IDRP you will have further rights of appeal to the Pensions Ombudsman. You should, however, contact The Pensions Advisory Service (TPAS) before you write to the Pensions Ombudsman. Their address is:

- 11 Belgrave Road, LONDON, SW1V 1RB
- Telephone: 020 7630 2250
- Website: www.pensionsadvisoryservice.org.uk

The Royal Navy and Royal Marines Widows' Association

We are here to offer support, friendship and comfort to those bereaved whose spouse/recognised partner served in the Royal Navy or Royal Marines. Joining could not be easier and is free to all. Please take a look at our website or contact us on - 023 92 654374 or email rnrwidowsassociation@hotmail.com

The Army Widows Association

We offer friendship and support, counselling and respite weekends to those bereaved whose spouse / recognised partner served in the Army (both Regular and Reserve). Joining could not be easier. Please take a look at our website www.armywidows.org.uk or contact us on 0300 666 0136 or email info@armywidows.org.uk.

Sanctuary for Veterans (S4V)

Our mission is to offer injured veterans and their families respite and rejuvenation at a relaxing retreat combining bespoke accommodation with mentoring support and family activities based in Little Budworth, Tarporley, Cheshire. The charity aims to raise money needed to build the 'Centre of Excellence' to offer training, counselling and welfare support with 23 lodges providing accommodation for members during their stay with us. For more detail please visit www.sanctuaryforveterans.co.uk or email info@sanctuaryforveterans.co.uk or call 01829 76005.

