



AFPS Quarterly Digest

Annual Allowance (AA) Tax Charge and the Pension Remedy

If eligible for the 2015 Pension Remedy and you have previously paid an AA Tax Charge during the Remedy Period, depending on your circumstances, you may need to make a tax adjustment. This could be because of being rolled back to your relevant legacy

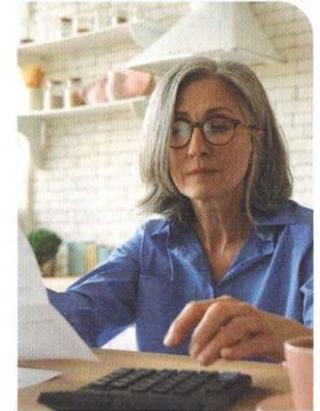
scheme, or an immediate choice election.

To address this, and tax year 2022/23 where pension savings statements were deferred, HMRC have devised a new digital process, this removes the requirement to re-open

previously submitted self-assessment tax returns.

Information on this has been released in an **Annual Allowance and 2015 Pension remedy Newsletter**, available on the gov.uk site and should be read by anyone

believing they are affected by this issue. Further information will be published in the summer, including guides on how to use the new digital tool.



AFPS 15 Added Pension Explained

If you are a serving member (regular or reserve) of the Armed Forces Pension Scheme (AFPS) 15, you may be eligible to purchase added pension. Added pension allows you to increase retirement benefits for you and/or your dependants. One added pension contract can be purchased per scheme year (1 April to 31 March). Once you retire, added pension is paid to you at the same time

as your AFPS 15 pension or Early Departure Payment 15 (EDP).

The maximum amount you can increase your annual pension by with added pension is subject to limits. From the 1 April 2024 this limit is £8571.21. The minimum contribution you can make over a year is £300 and you will receive tax relief on any contributions. Any added pension you

purchase is subject to the same tax conditions as your AFPS 15 pension or EDP.

Added pension contributions can either be by monthly deductions from salary or a lump sum payment, but not a mixture of methods. You can choose either the amount of added pension you wish to purchase, or the level of personal contribution you wish to pay. You may cancel your added pension contract at any time, but you will need to wait until the next scheme year to take out a new contract. This is because each added pension contract only lasts

for one scheme year.

Any added pension purchased will be revalued every year in line with the Consumer Price Index (CPI).

To purchase added pension, you must first request a quote, using **AFPS Form 6**. Once you have received the quote you must then apply to take out the added pension contract using **AFPS Form 6A**. You can obtain **AFPS Form 6** and **6A** via both MODNET and the **GOV.UK** website. Further information on added pension can be found in the **newsletter** published on GOV.UK.

LTA Protections

LTA protections were designed to protect accrued benefits. These protections have set conditions. It is still possible to apply for two lifetime allowance protections, Individual Protection 2016 and Fixed Protection 2016 but a deadline of 5 April 2025 applies for all applications. To see if you are eligible and how to apply you can visit the HMRC website **www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance**

Nomination for Death Benefits (does not apply to AFPS 75)

All serving members are in the AFPS15 pension scheme and can make a nomination for who will receive their death in service lump sum benefits. Nominations continue to apply once you leave service if there is an entitlement to a lump sum on your death. It is vitally important that you keep this information up to date. If you have married or entered a civil partnership after 1 December 2018, any nomination you had before this event will be void.

If you dissolve your marriage or civil partnership but had previously nominated your spouse/civil partner, then your nomination is void. However, if you made a nomination before 1 December 2018 and entered into a marriage or civil partnership before 1 December 2018 but your nominee is someone other than your new spouse or civil partner, this arrangement is still valid until you change it. The Pension Scheme can only



apply the scheme rules and act in accordance with your request. Please be responsible and keep your nominations up to date whether you are still serving or after you leave. AFPS Form 2 Nomination Form can be found here:

Veterans' UK Armed Forces pension and insurance declaration forms - GOV.UK (www.gov.uk)

Children's Pension

This is a reminder that the annual review of children's pension for those in education beyond the normal cessation age will commence in September 2024. A Further Education Review Form will be issued, and this must be completed by the parent/guardian or student and returned to the department who issued the form. A letter will accompany the form with all the information you need to know. More information about the review process can be found in the link below. You can also



download the AFPS Form 373 and submit it in paper form to the Pensions Team, MP 486, Kentigern House, 65 Brown Street, Glasgow G2 8EX:

Veterans' UK Armed Forces pension and insurance declaration forms - GOV.UK (www.gov.uk)

Lifetime Allowance (LTA) Change

The LTA was abolished on 6 April 2024 it has, however, been replaced with three different allowances which limit the amount of tax-free cash that be taken from a pension over a lifetime; the two relevant allowances for the AFPS are:

The lump sum allowance – cumulative limit of £268,275

The lump sum and death benefit allowance – cumulative limit of £1,073,100

If LTA protections were held or benefits were taken prior to 6 April 2024 these limits may alter. The window for applying for LTA protections closes on 5 April 2025, HMRC website has more detail on this. Where benefits have previously been taken, transitional rules will apply. Details are on the **HMRC website** and will be included in the MOD Tax Booklet to be published in the Summer.



Help and Support

For help and support with your pension award, contact the Enquiry Centre on **0800 085 3600** or **0044 141 224 3600** if calling from abroad (Mon - Fri 7am to 7pm).

If your circumstances or details change, please contact our paying agent, Equiniti, on **0345 121 2514** or **0044 1903 768625** if calling from abroad (Mon - Fri, 8am to 6pm) to ensure your pension continues to be paid accurately and on time.

Please ensure you have your Service and National Insurance Numbers ready. You can find useful information on all the Schemes by visiting:

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

Tell us how we are doing

Please take a couple of minutes to complete our **feedback survey**



bit.ly/AFPSQDFeedback

Pension Awareness Week 2024

The fourth Armed Forces Pension Awareness Week (PAW) will take place this year from 9th – 13th September. In preparation for the week, the Armed Forces Pensions team are developing educational resources to share with our members. The week will provide members with clear and concise guidance

on various aspects of their Armed Forces Pension. PAW is designed predominantly for active members and will include a variety of new, informative factsheets and member guidance. Live presentations will be hosted by the Forces Pension Society and White Ensign Association which are available to join for all members. Please look out for further announcements, including the release of the agenda for the week in the next edition of the Quarterly Digest. Announcements will also go live on defnet and Defence Connect in the build up to the week.