



AFPS Quarterly Digest

2015 Remedy RSS Delivery Update

If you are eligible for the 2015 Pension Remedy, MOD will provide you with a Remediable Service Statement (RSS) outlining your choice of benefits to receive for your service

during the Remedy period (1 April 2015 to 31 March 2022).

In the previous edition we advised that some members will not receive their RSS by the

original target date of 1 April 2025. Our current forecast is that all members will receive their RSS no later than 30 September 2025.

Circumstances where an RSS will take additional time to process include, but are not limited to:

-You have undertaken Full Time Reserve Service or different

periods of service
-You are in receipt of an Armed Forces Compensation Scheme Guaranteed Income Payment
-There are Divorce Debits payable against your pension

Please note:

-All members should receive an RSS by 30 September 2025.
-We will write to you if your RSS is going to be delayed.

-Please keep your address details up to date to make sure you receive your RSS.
-Benefits currently in payment will continue, pending an election being made.

More information on the 2015 Pension Remedy, including an RSS delivery update, can be found by searching Armed Forces Pensions on **GOV.UK**



Lifetime Allowance

The abolition of the lifetime allowance in April 2024 saw the introduction of new allowances. These apply to tax free lump sums drawn from any pension scheme over your lifetime:

Lump Sum Allowance (LSA): This limits how much tax-free cash you can take from all your pensions over your lifetime. The standard allowance is £268,275.

Lump Sum and Death Benefit Allowance (LSDBA): This limits the total amount of tax-free lump sums that can be paid either to you as a serious ill health lump sum or your beneficiaries in the event of your death. The

limit is £1,073,100.

In both cases if previous protections were held the limits may be higher. Exceeding either limit will result in income tax being applied to the excess.

If you have already taken a lump sum from a Pension (not an EDP) and are building up another pension, either privately or with another employer, or intend to commute your AFPS 15 pension then this could apply to you.

Any tax-free cash taken from a pension prior to April 2024 will be subject to transitional rules which will see a

reduction in your available LSA and LSDBA. Where previous Lifetime Allowance protections were held, these will remain and may provide a higher allowance. The standard transitional rules assume that you took the maximum 25% cash free allowance from your pension.

If this was not the case, a Transitional Tax-Free Amount Certificate, which will assess your allowance based on the actual amount of tax free cash you have taken, may be of benefit. Not everyone will benefit from a tax free amount certificate and you can check using the tool at this website:

<https://www.tax.service.gov.uk/guidance/Check-if-you-can-apply-for-a-Transitional-tax-free-amount-certificate/start>.

If this applies to you, a certificate must be held prior to drawing a pension lump sum.

Further information is available in the AFPS members' guide to Lump Sum Allowance and Lump Sum Death Benefit Allowance on the **AFPS gov.uk** webpage and HMRC resource is available here: <https://www.gov.uk/guidance/find-out-the-rules-around-individual-lump-sum-allowances>



<https://www.gov.uk/tax-on-your-private-pension/lump-sum-allowance>

<https://www.gov.uk/guidance/how-to-tell-hmrc-about-a-lump-sum-death-benefit-charge>

Pension Credit correction

In our last edition, we published an article about Pension Credit. Regrettably, this contained an incorrect figure for those who are single, over age 65 and reached state pension age before 6th April 2016. The correct figure is £260.68. We sincerely apologise for this. Further information on Pension Credit, including information about entitlement, can be found at www.gov.uk/pension-credit

Retrospective pension reassessments

Due to late notification of the Armed Forces Pay Review Board (AFPRB), all pension benefits which were calculated for members who left service on or after 31 March 2024, were processed using the 2023 AFPRB rates.

All pension systems have now been updated to reflect the 2024 AFPRB information and we have commenced work to review all cases to determine where a re-assessment of Armed Forces Pension Scheme

Benefits (AFPS) in payment is required.

Review of cases will be undertaken in strict termination date order and the exercise is expected to complete in late Autumn.

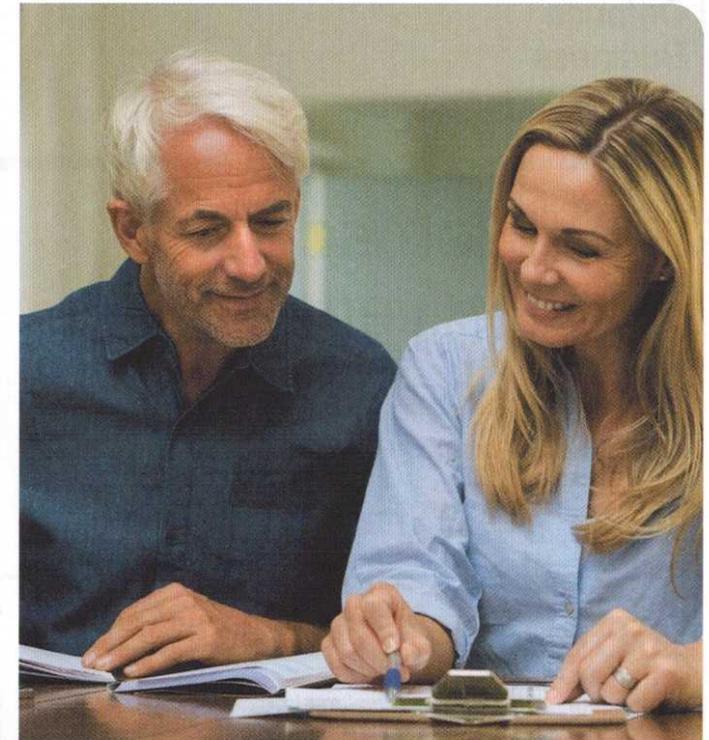
Where revised benefits are due, affected members will receive an updated award letter detailing the updated benefits now due from their termination date. Any arrears of pension and balance of lump sums due will be paid.



If you have been re-employed before the new pay rates were implemented, and your pension in payment was abated, you are likely to have an under calculation of pension abatement. Whilst you may have received arrears of pay, any overpayment of pension will not be known until your case

has been reviewed. It is important to advise that in line with Managing Public Money, recovery action will be sought for any overpayments.

Where no revised benefits are due, affected members will be notified of this in writing.



Your pension increase

Each year, your pension is increased to ensure it maintains its value. The Pension Increase is based on the Consumer Price Index (CPI) 12-month inflation rate in September of the preceding year, which was 1.7% in September 2024.

Pensions in payment are expected to rise by 1.7% from 8 April 2025.

If you are in receipt of an AFPS pension, your next payment advice slip following April 2025

will confirm the increase. The first increase to pensions in retirement are normally a proportion of the full increase, depending on how many months your pension has been in payment during the year.

If you are still serving, your pension savings are increased slightly to track inflation. This is known as indexation, and it is based on the Average Weekly Earnings (AWE) index and is similar to money in a bank account earning interest.



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