



IT PAYS TO UNDERSTAND  
YOUR PENSION

## Forces Pension Society Factsheet Full Time Reserve Service (FTRS) Effect on Pension Benefits

Scheme	Effect on Pension/EDP Income	Effect on Lump Sum	On Completion of FTRS
<b>AFPS 75</b>	<p>If you qualify for an immediate pension from AFPS75 when you leave Regular service and then undertake FTRS, you will receive your '75 scheme annual pension. However, if your '75 scheme pension and FTRS salary <u>combined</u> exceed your final Regular salary, your '75 scheme pension will be abated until your combined '75 scheme pension and FTRS salary equal your final Regular salary.</p> <p>You will become eligible for pension increases (based on CPI) from age 55. These will be paid to you even if your AFPS75 pension is fully abated.</p>	<p>You will keep your AFPS75 full terminal grant (tax-free lump sum) and you don't need a break between Regular service and FTRS to do so.</p> <p>You also still have the option to take resettlement commutation to increase your tax-free lump sum. By opting for resettlement commutation, you agree to receive a lower '75 scheme pension until age 55. The commutation repayment figure will be deducted from your '75 scheme pension after the abatement calculation is carried out. If there are insufficient funds left after abatement, the commutation repayment will be taken from your FTRS salary after tax has been deducted.</p>	<p>If you are under 55 years old when you leave FTRS and previously accepted resettlement commutation, your '75 scheme pension will return to the reduced (post commutation / pre-FTRS) level until age 55. If you are 55 years old or over when you leave FTRS, your '75 scheme pension will return to its full value.</p> <p>At age 55 your AFPS75 pension is fully restored, and CPI uplifts are added.</p>
<b>AFPS 05</b>	<p>If you qualify for an Early Departure Payment (EDP) from AFPS05 when you leave Regular service and enter FTRS, your AFPS05 EDP income will be stopped.</p> <p>If you leave Regular service with an immediate '05 scheme pension (i.e. if you leave Regular service at or after age 55), then the position regarding abatement is the same as for AFPS75 above. There is no resettlement commutation option for AFPS05. '05 scheme pension increases will be paid from age 55 as per AFPS75 above.</p>	<p>You need a break in service equal to the time it would have taken to earn the value of your AFPS05 EDP lump sum to avoid having to repay it. For example, if your '05 EDP scheme lump sum is £25,000 and your salary was £50,000, you need a break in service of 6 months.</p>	<p>If you were in receipt of a '05 scheme EDP, once you leave FTRS your EDP income will be reinstated and your AFPS05 pension will remain in deferment until age 65. CPI increases to EDP will begin after you leave FTRS if you are age 55+.</p> <p>If you were in receipt of an AFPS05 pension before starting FTRS then this will be restored to its original level.</p>

AFPS 15	If under age 60 when leaving Regular service	If age 60 years or over when leaving Regular service
	<p>You will keep your full tax-free AFPS 15 EDP lump sum and continue to receive your '15 scheme EDP income stream whilst in FTRS. When you leave FTRS your EDP income stream will not be readjusted.</p> <p>You will remain an active member of AFPS 15 whilst in FTRS and will therefore continue to accrue benefits towards your '15 scheme pension.</p> <p>If you remain in FTRS until age 60, you will qualify for your full '15 scheme pension on discharge, rather than waiting until State Pension Age (SPA), and your '15 scheme EDP income stream will be stopped. If you leave FTRS prior to age 60, your '15 scheme pension will remain deferred until your SPA and your '15 scheme EDP income stream will continue to be paid until your SPA.</p>	<p>If you are in receipt of an immediate AFPS 15 pension, to retain your Regular service AFPS 15 pension in payment you require to have a gap of more than 28 days between Regular service and FTRS. Re-joining within 28 days would stop the AFPS 15 pension (requiring repayment of all AFPS15 pension payments/lump sums received) and revert this back to a deferred status. It would then be payable from State Pension Age.</p> <p>Providing you already have a minimum of two years qualifying service in AFPS15 at discharge, and you re-join FTRS within five years, then you will not need to 'vest' again (i.e. complete 2 years in the Scheme to qualify for pension for your FTRS).</p>

**Abatement Reassessment:** Abatement will be reassessed in the event of a change in rank, a new FTRS contract, a reduction in pension caused by a Pension Sharing Order (PSO), or a change in salary caused by maternity.

**AFPS 15 Remedy (McCloud):** It is understood that from 1 October 2023, Service personnel in-scope for the AFPS 15 remedy will be 'rolled back' to their legacy ('old') pension scheme for the remedy period 1 April 2015 to 31 March 2022. This being the case, those who enter into FTRS contracts from 1 October 2023 and whose legacy scheme is AFPS 75 need to be aware that any abatement of their AFPS 75 pension will likely take account of the seven-year remedy period. The detail for this is to be confirmed.

**Further Information.** If you are a member of the Forces Pension Society and would like further information on the effect of FTRS on your Armed Force pension benefits, or assistance with abatement calculations, please contact us. If you are not a member and would like to join, please visit our website at <https://forcespensionsociety.org/>