



Changes to AFPS05 EDP Rules

Our last article for Civvy Street outlined how Early Departure Payment (EDP) entitlements would be affected should you subsequently take up further military employment. Since then the MOD have published revised rules for the AFPS 05 EDP scheme and, in this article Mary Petley of the Forces Pension Society, sets them out for you and signpost where you will find full details about pension and EDP benefits on re-employment.

To meet the EDP 05 criteria an individual requires at least 18 years relevant service and to be at least age 40 on discharge (the 18/40 Point). Only Regular service counts towards this criteria and EDP benefits are not paid to those discharged with a pension in payment. Those meeting the criteria receive a tax-free EDP lump sum worth three times the preserved pension (PP) and an income worth at least 50% of the PP. For every year served beyond the 18/40 Point the income increases by 1.667% of the value of the PP.

On re-joining the Regulars or undertaking a Full Time Reserve Service (FTRS) post (including Additional Duties Commitments) an individual's EDP 05 income stops. The policy change is in relation to what happens when they leave this further employment:

- If the new service is Regular service, the EDP05 benefits may be revised when they leave again unless the individual is aged 55 or over or they are entitled to an ill-health pension. In this case, any AFPS 05 pension earned will be paid instead of the EDP 05 income.
- If the new service is FTRS, the EDP 05 income restarts when they leave again unless they are aged 55 or over or they are entitled to an ill-health pension. As above, in these circumstances, AFPS 05 pension benefits will be paid instead of the EDP 05 income.

Depending upon how quickly the individual re-joins, the EDP 05 lump sum may have to be repaid on undertaking this further service – how much depends upon how long it has been since they left. For example, if the EDP lump sum was equivalent to 430 days' pay, and they join the FTRS 180 days after receiving it, they would have to repay almost 60% of the original lump sum. What happens when they leave again, depends upon whether the further service is Regular or FTRS:

- On leaving FTRS service, there is no further EDP 05 lump sum payable. Just to be clear, any amount repaid on taking up the FTRS post would not be refunded.
- On leaving further Regular service, EDP 05 benefits are recalculated, and a revised EDP 05 lump sum will be paid unless AFPS 05 pension benefits become payable, in which case the EDP 05 benefits do not restart.

Finally, if you want to learn more, full details about pension and EDP on re-employment can be found at MMP116 , and this incorporates the policy changes set out above.

If you are a member of the Forces Pension Society and have a pension enquiry, please contact us via 'Submit a Question' in the members area on the website. If you are not a member but would like to know more about us, visit www.forcespensionsociety.org .