

Reserves – A Focus on Benefits

When a review of Reserve Forces took place in 2011 (known as “Future Reserves 2020”), the Independent Commission’s vision was for:

“A Reserve Force that is an integral element of the Whole Force; that is optimised to deliver assured capability across all military tasks on operations at home and abroad; that harnesses for Defence the widest pool of talent in the UK; and that upholds the volunteer ethos...”



It is not surprising therefore that, quite rightly, when Armed Forces Pension Scheme 2015, (AFPS 15) was introduced it included all reservists as Scheme members. This was the first time that a single AFPS applied both to the Regular and Reserve Forces. The benefits of AFPS 15 are well-documented and it is not intended to replay them here. Rather, the aim is to highlight some areas that relate specifically to Reserve service that we have picked up on when briefing Reserve units, and through correspondence with Regular service personnel wishing to join the Reserves either in a full or part-time capacity. In particular, this article will cover pension accrual and payment, abatement and ill-health benefits.

AFPS 15 is a salary-based scheme and members accrue pension based on 1/47th of their annual ‘core’ salary. For Part-Time Volunteer Reservists (PTVR) the same accrual rate applies and is based on the number of Reserve Training Days they work each year. For ex-Regular service personnel, providing they join the PTVR within five years of leaving Regular service their AFPS 15 pension will remain ‘live’. This means that they can carry on building their AFPS 15 pension without having to re-qualify. If the break in-service is more than five years, they will require to complete the two-year qualifying period to be entitled to pension benefits from their Reserve service.

Those who serve in the PTVR until age 60 will receive their AFPS 15 pension immediately on leaving. For ex-Regular service personnel who join the PTVR, this will include any AFPS 15 deferred pension they earned during their Regular service if they joined the PTVR within five years of leaving the Regular Forces. Those who retire from the PTVR before age 60 will have their AFPS 15 pension paid at their State Pension Age (SPA).

Ex-Regular service personnel who leave with immediate benefits from AFPS 75 or AFPS 05 and wish to join the Reserve Forces on a Full Time Reserve Service (FTRS) commitment, need to be aware that their immediate benefits (pension and Early Departure Payment (EDP)) may be abated. The reason being that the pension/EDP and FTRS salary combined cannot exceed the service person’s final Regular salary. The same does not apply to AFPS 15 benefits, though there are specific rules pertaining to whether an individual leaves Regular service before or after age 60, as outlined below:

Those who leave Regular service before age 60 will keep their full tax-free AFPS15 EDP lump sum and will continue to receive their AFPS15 EDP income stream whilst in FTRS. They will remain an active member of AFPS 15 whilst in FTRS and will therefore continue to accrue benefits towards their '15 scheme pension, although Reserves do not earn additional EDP benefits.

If a service person leaves Regular service at age 60 or older and is in receipt of an immediate AFPS 15 pension, to retain their Regular service AFPS 15 pension in payment they require to have a gap of more than 28 days between Regular and FTRS. Re-joining within 28 days would stop the AFPS 15 pension (requiring repayment of all AFPS 15 pension payments/lump sums received) and revert this back to a deferred status. It would then be payable from SPA.

The final area to cover concerns ill-health benefits. For a Reservist who is medically discharged under AFPS 15 there are two tiers of ill-health award that can be made:

The first tier is if an individual has suffered a breakdown in health such that their capacity for gainful employment is significantly impaired and is expected to remain so until they reach age 60.

The second-tier award is made for the most serious conditions and is granted if an individual suffers a permanent breakdown in health involving incapacity for any gainful full-time employment.

IT PAYS TO UNDERSTAND YOUR PENSION!