



FPS Factsheet

Allocation



You can allocate a portion of your Armed Forces pension to beneficiaries in certain circumstances, but you need to be aware of the restrictions that accompany an election to allocate a portion of your pension in this way.

First, you need to be aware that you cannot allocate any of your AFPS75 pension using this option. It is only available in respect of AFPS05 and AFPS15 pensions (also RFPS05 for reservists).

Next, you need to be able to satisfy the conditions for allocation with regard to the beneficiaries. The conditions are that:

- a. The person is financially wholly or mainly dependent on the member; or the
- b. The member and the person are financially interdependent.

The beneficiary must be either the spouse/civil partner or be a financial dependant (or be financially inter-dependant) on the date the member dies. For children this generally means those that, for reason of disability, will never be able to be employed in their own right and who will therefore be financially dependent on you for the rest of your life.

Importantly, you also need to understand that the amount of pension that is allocated away (up to 37.5% of your AFPS05/15 pension) is never enjoyed by you, rather it is held back until your death and then used to pay a pension to the allocatee for the rest of their lifetime. The amount payable to the allocatee is actuarially calculated by the MoD based upon the beneficiary's age and the amount that you allocated and your age at the time of the allocation.

In the event that you allocate a portion of your pension and then the allocatee dies before you, the allocated portion of your pension is lost forever. An allocation choice can only be revoked or amended prior to your pension commencing.

We cannot offer you any financial advice as we are not authorised to do so, however a regulated financial advisor should be able to fully assess your situation and your options. It might be worth speaking with a financial advisor to assess the efficacy of alternative options such as taking the full, unallocated, pension and using some of this to fund a life assurance policy to pay a lump sum or income to your chosen beneficiaries in the event of your death.

If you wish to proceed with an allocation you should complete [AFPS form 3](#).

This must be submitted not earlier than 6 months before your pension is due to come into payment and no later than the date your pension is due (or such earlier "closing" date as Veterans UK may advise).