



# Completion of AFPS Form 1

These guidance notes will help when completing the 'Pen Form 1' (the form used to apply for your pension).



Please note that the sections labelled A, B, C etc. are shown on the hard copy of the form but not on JPA. JPA follows the same sequence as below except where mentioned.

- A Service & Personal details** - you need to complete in full.
- B Payment of Pension Benefits** - you need to indicate if you are eligible for immediate pension benefits. If you are leaving with a Resettlement Grant or an ill-health Tier 1 lump sum only from AFPS 05 and/or the AFPS 15, you need to tick the box "I am not entitled to any Immediate Benefits". If you are going to receive an immediate pension and/or Early Departure Payments (EDP), you need to tick the box "I am claiming Immediate Benefits/ Aggregated Benefits". On JPA, the question on eligibility for immediate pension benefits is covered in Pension Scheme Selection.
- C 2015 Remedy – Armed Forces Compensation Scheme (AFCS) - Guaranteed Income Payment (GIP)**. If you have been awarded compensation from the AFCS at Tariff levels 1 to 11 or previously awarded a GIP, you should tick the appropriate box.
- D 2015 Remedy (McCloud) Election** - you are in scope for the 2015 remedy if you were serving on or before 31 March 2012 and on or after 1 April 2015, including if you had a qualifying break in service of 5 years or less. If you are not in scope, you need to tick the box "I am not in scope for 2015 Remedy" and go to Part E. If you are in scope, you need to tick the relevant box that applies to your situation. You should only make your election once you have read and understood your RSS.
- E Pension Scheme Selection** - tick the box of the relevant Scheme(s) for you.
- F Resettlement Commutation (75 scheme)** - is where you can reduce your '75 scheme pension until age 55 for extra tax-free lump sum. If you want the bigger tax-free lump sum and the smaller annual pension (which is taxable) then tick "Yes" to the statement, "I want to commute under Resettlement Commutation". If you want the largest possible tax-free lump sum tick "Yes" for "The maximum allowed". Alternately, you can specify an amount of lump sum if you want less than the maximum allowed.





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**Inverse Commutation (05 scheme)** - if you qualify for an immediate pension under AFPS 05 or RFPS 05 you can, if you wish, reduce the tax-free lump sum that you will receive and replace it with more annual pension (which is taxable). If you want to do this tick "Yes" to the statement, "I want to apply for Inverse Commutation". If you want to retain the tax-free lump sum in full, tick "No". If you wish to increase the annual pension by reducing the lump sum, you will need to state how much you wish to increase your annual pension by in multiples of £100.

There is also a question regarding **Allocation** of a portion of the 05 scheme pension. "Allocation" means that you can forego part of your 05 scheme pension during your lifetime in order that the proportion allocated is paid to whoever you select, following your death for the remainder of their lifetime. Be careful, as this is an irrevocable decision. In the event that the person you allocated some of your pension to dies first, neither you nor they will ever receive that element of your pension.

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**Inverse commutation of EDP (15 scheme)** - you can choose to give up the EDP tax-free lump sum **in its entirety** and replace with a higher EDP regular income (which is taxable) between your date of leaving service and State Pension Age (when your EDP income ceases and your '15 scheme pension is payable).

On the hard copy of the Pen Form 1, if you want to do this tick the "Yes" box for "I want to inversely commute my full EDP lump sum". **If you want to keep the lump sum tick the "No" box.** On JPA, there is only one box and you should only tick it if you want to inversely commute your full EDP lump sum. **If you want to keep the lump sum do not tick the box.** This is an all or nothing decision—you either keep the EDP lump sum or you give it up completely.

Remember – EDP is a benefit that you earn under AFPS 15 once you have completed a minimum of 20 years of reckonable service and providing you are aged 40 or over at exit. The above question is only relevant to you if you qualify for EDP and leave the Armed Forces before age 60. If you serve to age 60 or over, the AFPS 15 pension will be paid immediately on exit and EDP would not be paid.

There is also a question regarding postponement of your AFPS 15 pension. This is only relevant if you are eligible to start receiving your AFPS 15 pension immediately (i.e. you have served in the Armed Forces to age 60 or beyond).





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Next, if you are between age 55 and 60 when you leave the Armed Forces you can apply to have your 15 scheme pension paid immediately on exit, rather than waiting until State Pension Age. However, if you do this the pension will be reduced for life as it will be in payment for longer. As a guide, if you request the 15 scheme pension to be paid from age 55, the pension amount will be reduced by approximately 50%.

This section on the hard copy Pen Form 1 also includes a question regarding **Allocation** of a portion of the 15 scheme pension. "Allocation" means that you can forego part of the pension during your lifetime in order that the proportion allocated is paid to who ever you select, following your death for the remainder of their lifetime. Be careful, as this is an irrevocable decision. In the event that the person you allocated some of your pension to dies first, neither you nor they will ever receive that element of your pension. Note that this question is not included on the JPA form.

J

**Commutation of Pension (15 Scheme)** - this section only applies if you will receive an immediate **AFPS15 pension (not EDP) or RGPS15** on exit from the Armed Forces. If this does not apply to you, tick the "No" box and move to Part K. If it does apply to you and you wish to commute an amount of your 15 scheme pension to create a tax-free lump sum, tick "Yes" to the statement, "I want to commute my AFPS15 or RGPS15 pension to raise a tax-free lump sum". If you want the largest possible lump sum tick "Yes" for "The maximum allowed". Alternately, you can specify an amount of lump sum if you want less than the maximum. Please be aware that if you commute an amount of your AFPS 15 pension to create a tax-free lump sum, your 15 scheme pension will be reduced for life.

K

**Retirement Lump Sums (All Pension Schemes)**- this section enquires as to your intentions for your tax-free lump sums. In particular, if you have any plans to re-invest part or all of these sums into private pension arrangements you are required to declare this fact to HMRC. If you are not planning to re-invest your lump sums into Private Pension plans, or if you are and the amount you are re-investing is less than 30% of your pension lump sum, please tick "No" in answer to question (i) and move to section L. If you are considering re-investing your lump sum(s) into Private Pension plan(s), you may wish to seek the advice of an Independent Financial Adviser before doing so.





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L

**Payment of Pensions Immediately on leaving the Armed Forces(All Pension schemes)** – this section requires you to declare if you have any other pensions in payment or due to come into payment in the future. If you have, please complete the details as required, otherwise tick “No” and move onto section M.

M

**Transitional Tax-Free Amount Certificate (TTFAC).** Tick the appropriate boxes to indicate if you have requested a TTFAC from another pension scheme or you have already sent a TTFAC to DBS Veterans UK

N

**Individual, Enhanced or Fixed Protections.** Tick the appropriate boxes to indicate if you have applied for any of the aforementioned protection certificates.

O

**Bank Details(All Pension Schemes)** - complete this section and check that the details are correct, as this is where your pension benefits will be paid to. Roll number only applies to Building Society accounts.

P-S

**Data Protection (Part P), Declaration (Part Q), Consent for email correspondence (Part R) and Signature (Part S) - complete as required.**

