



FPS Factsheet

Transfers to Other Public Sector Pension Schemes



Many of you will be leaving the Armed Forces with deferred AFPS 15 benefits (so, benefits which are not payable immediately) and be taking up employment elsewhere in the public sector. This factsheet looks at how the AFPS 15 continuity rule works if your new public sector employment starts within 5 years of your discharge and how the transfer rules work if the break is longer than that.

During your Armed Forces service your AFPS 15 benefits increase each year by 1/47th of pensionable pay with earlier years pensions savings increasing by Average Weekly Earnings (AWE). The AWE factor, which is announced annually, is calculated using information based on the Monthly Wages and Salaries Survey, which samples around 9,000 employers in Great Britain.

Once you leave, your pension increases by the Consumer Price Index (CPI) and is normally payable at your State Pension Age (SPA) – this deferred pension age is common to all public sector pension schemes introduced since April 2015.

If you take up further public sector employment within 5 years of leaving, your pension becomes 'live' again. If any CPI increases have been applied, these are 'undone' and replaced by the normally more advantageous AWE rates – six out of the last seven years, AWE has been higher than CPI.

This continuity means that your Armed Forces service counts towards the normal 2-year vesting period to qualify for pension benefits in your new scheme. Further, if you are joining the Police or Fire and Rescue service, your accrued benefits are payable if you leave at age 60 rather than at your SPA if they remained deferred.

If the break is over 5 years, the continuity rule does not apply, and you have the choice as to whether to transfer your AFPS 15 benefits to your new scheme or to leave them where they are.



FPS Factsheet

Transfers to Other Public Sector Pension Schemes



The transfer process is straightforward:

- Obtain a 'statement of entitlement' from Veterans UK.
- Ask your new scheme administrator what the value of your AFPS 15 benefits will buy in their scheme.
- If you decide to go ahead, apply to Veterans UK for a transfer value payment.

Transfers must be made within 12 months of being entitled to be a member of your new public sector scheme.

In reaching your transfer decision, the most important consideration is that public sector schemes (just like AFPS 15) have a 2-year vesting period, and transferring benefits in from elsewhere could mean automatic qualification. If you do not transfer, your deferred pension is treated in accordance with the rules at your date of discharge: if you do transfer, your whole pensions will be subject to the rules during your new employment.

If you are a member of the Forces Pension Society and have a pension query, contact us via 'Submit a Question' in the Members' Area of our website. If you are not a member but would like to know more about us, go to www.forcespensionsociety.org.