

Busting some pension myths around Veterans

Myth: I am in receipt of an AFPS 75 immediate pension and Early Departure Payment (EDP) from AFPS 15 and I will be age 55 on my next birthday. My understanding is that I need to apply to Veterans UK for the pension and EDP to be uplifted by the cumulative inflationary increases (based on the Consumer Price Index (CPI)) that have occurred between my discharge from the Armed Forces and 55th birthday.

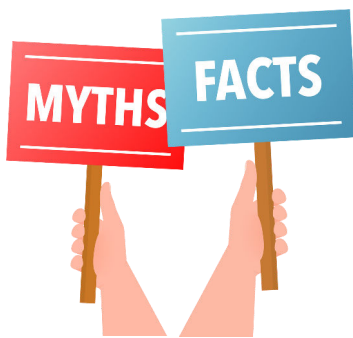
Fact: The pension and EDP will be subject to a consolidated uplift of the inflationary increases (based on CPI) backdated to your date of discharge. However, this will be done automatically, and you will receive advance notification of the revised rates from Equiniti Paymaster.

Myth: I left the Armed Forces with an AFPS 05 Early Departure Payment (EDP) and will turn 65 years old later this year. I understand that my EDP income will stop when I reach age 65 and that my AFPS 05 pension and second lump sum will be paid automatically.

Fact: You are correct that your AFPS 05 EDP income will stop when you reach age 65, however you will need to claim your AFPS 05 pension and lump sum as they won't be paid automatically. To claim the pension and lump sum you will need to submit an AFPS Form 8 to Veterans UK approximately 3 months before your 65th birthday.

Myth: I'm told I can 'top up' my Armed Forces pension after leaving the service.

Fact: Unfortunately, not. You need to be serving to make additional voluntary pension contributions (AVCs) to AFPS15.



Myth: Rumours floating about suggest that veterans retiring abroad will have their pensions “frozen” until they return back to UK. As my family and I are planning to emigrate in the near future, I would like to know if such move will freeze my pension or not.

Fact: Armed Forces pensions are claimed and paid in the same way no matter where you live. If you live overseas, you will receive a Life Certificate every three years once your pension is in payment. It is important that you deal with it straight away because, if the form is not returned in accordance with the instructions your pension will stop. Under current rules, moving overseas would also not impact on the annual inflation-linked increases to your Armed Forces pension/EDP income. You would still benefit from the increases but, as would be the case if you remained in the UK, you do not receive the uplift until you reach age 55.

Myth: I have heard that my Armed Forces pension will be reduced when I start to receive my state pension.

Fact: Your Armed Forces pension will not be reduced when you start to receive your state pension if all of your reckonable service was after 1st April 1980. Those who do have reckonable service before 1st April 1980 will have a small reduction to their armed forces pension of approximately 87 pence per year for each year of service before that date.