FUTURE SERVICE DELIVERY CONTRACT

SCHEDULE 2.1

PART 4 - PENSIONS AND COMPENSATION SERVICES

ANNEX D – PENSIONS AND COMPENSATION

APPENDIX 1 - DEFINITIONS

Reference	Definition
Active Member	member who is currently serving in the Armed Forces (AF) and is accruing pension entitlement;
Additional Voluntary Contributions (AVCs)	addition of pension contributions to enhance a pension;
AFPS Newsletter	an annual communication to all Pensioners that provided updates on key pension changes and reminders e.g. to update change of address, bank details;
Annual Allowance (AA)	pension tax applied annually by HMRC;
Armed Forces Pay Review Body (AFPRB)	external independent body that determine annual pay awards to Active members of the Armed Forces;
Attachment Earnings Order	where the Courts direct a proportion of pension to be awarded to a spouse;
Attributable Benefits/Award	benefits awarded for injury caused by service;
Benefit Crystallisation Event	when a pension benefit is paid, including pension and lump sum;
Benefit Statement	an annual summary of an Active members accrued pension benefits, issued on each birthday;
Commutation	giving up of a portion of a pension for a lump sum;
Compensation and Pension System (CAPs)	the Compensation and Pension System (CAPs) forms part of the Complementary Applications & Stand Alone Systems (CASS) used by the Armed Forces Pension Scheme system. It supports JPA by undertaking the functions that JPA is currently unable to perform. The CASS are hosted on the DBS MilPers&Vets Application Infrastructure estate and are maintained by our current Commercial partners;
Customer Correspondence Review Standard	an internal standard set by the Authority that supports JSP 101 and addressed how this can be applied to Veteran letters;
Deferred Member	a member of the Armed Forces Pension Scheme who's pension is deferred until the pension payment point is reached;
Dependants	can be defined as widow/widowers/partners/children or dependants who are eligible for a pension;
Discretionary Award	an award that is made through agreement with the Pension Authority; within delegated authority from Military Boards;
Early Payment of Preserved Pension	the payment of your preserved pension early on the grounds of ill health;
GMP	Guaranteed Minimum Pension is the minimum amount payable by the Scheme on retirement, linked directly to any shortfall in the State Pension as a result of reduced national insurance contributions;
Gone Always	the return of pension data mail/correspondence where there is a need to determine entitlement;
Gurkha Pensioners	Members of the Armed Forces recruited in Nepal, processed through FENAS (Far Eastern Nepal Admiration System) with pension payments made locally. Access to FENAS is provided to the Authority, currently as read only;
Ill Health	an award given to individuals medically retired on ill health grounds;
JPA	Joint Personnel Administration (JPA) online system for the

	administration of Armed Forces Pension 15 and payment of pension lump sums within 90 days of leaving;
Life Time Allowance (LTA)	is a pension tax applied by HMRC when the pension becomes due;
Payment Function	the method used to make payments to processed awards;
Pension Abatement	Pension in Payment that may be stopped or reduced on re-entry into the Armed Forces;
Pension Award	the award of pension benefits to entitled individuals;
Pension Codes	the Armed Forces 75 increases applied in accordance with CPI;
Pension Increases	the award annually of Pension Increases in accordance with HMT guidance;
Pension Information Vetting System (PIVS)	Historic Pension Information Vetting System (PIVS) data repository which holds information on Pensions on a stand-alone system;
Pension Rates	the annual pension uplifts applied in accordance with Consumer Price Index (CPI) and also uplifts in accordance with SSRB / Pay Review/DDPR Boards;
Pension Sharing on Divorce (PSOD)	when there is a division/apportion of pension between divorce parties;
Pensionable Pay	the final salary on which the pension is based;
Pensioner / Pension Member	a member of the Armed Forces Pension Scheme whose pension is in payment;
Preserved Pension	is a pension payable at a pre-determined age (60, 65, or State Retirement Age);
Reckonable Service	the service which determines an individual's pension entitlement;
Reserved Forces Pension Scheme (RFPS)	a historic pension scheme which ran from 2005 to 2015;
Retired Pay	a historic term for Officer's pensions, new members now referred to Pensioners;
Scheme Pays	where the Active Member has incurred an annual allowance tax charge which is paid for by the Armed Forces Pension Scheme which is offset by a reduction in pension;
Senior Salaries Review Body (SSRB)	External independent body that determine annual pay awards to Senior Active members of the Armed Forces;
Transfer In / Out	the formal process that facilitates the transfer of preserved pension to Other Government Departments;
Unclaimed Pension	the pension 'held in trust' when not claimed on the due date;