

Armed Forces Pension Scheme - Pension Benefits on Divorce -

Recent Change in the Age when Pension Benefits can be claimed by former Spouses

Background

Since 2001, the Courts have been able to award a *pension credit* (the right to a certain percentage of the value of the pension at the time of the divorce) to the former spouse with an equivalent reduction in the member's pension.

In 2004, these same arrangements were extended to cover the sharing of benefits when a civil partnership is legally dissolved. This procedure is known as **pension sharing**.

Pension Sharing Order (PSO)

This is an Order made by a Court on divorce or dissolution of a civil partnership creating pension rights for a former spouse or civil partner out of the benefits that the member has built up in the scheme at the time that the PSO is made.

The PSO will specify the percentage (or a monetary amount if the Order was made in a Scottish Court) that is to be deducted from the member's benefits.

Once a PSO is made, the serving or former member of the Armed Forces becomes a *Pension Debit Member* (PDM) and their former spouse or civil partner becomes a *Pension Credit Member* (PCM).

Age when benefits can be claimed

From 6 April 2009, the earliest age when the PCM can claim their pension is 55. PCMs whose PSOs were made before 6 April 2009, and who were expecting to have to wait until either age 60 or 65 to claim their pension benefits, now have the option to have their pension actuarially reduced and paid from age 55, or immediately if already over age 55.

There is no change to the age when the PDM can draw his or her pension.

Procedure for claiming an Actuarially Reduced Pension

Should any PCMs wish to enquire about this option, please write to:

Service Personnel and Veterans Agency (SPVA)
Pensions Division
Pensions on Divorce Section
Mail Point 480
Kentigern House
65 Brown Street
Glasgow
G2 8EX

SPVA will provide you with an estimate of the benefits you may receive and if the estimate is acceptable to you, will put your pension into payment if that is what you require. Unfortunately, there is currently a delay to this service caused by the requirement to update computer systems to reflect this recent change. Apologies are given for any inconvenience that this may cause, but your letter will be acknowledged and you will be advised when SPVA expect to be in a position to provide you with an estimate.