

Data Protection Act 1998

From time to time Paymaster, as the Data Processor, can with the consent of the Data Controller (AFPS) forward details of various organisations that may be of benefit to you. If you would prefer **NOT** to receive such communications please write (quoting your Paymaster pension reference) to the Data Protection Officer, Paymaster. **Under no circumstances will your details be released to any third party.**

What to do if things go wrong

We make every effort to get things right. However, occasionally things go wrong and it is a cause of great concern when this happens. For that reason we treat all complaints with urgency and do our utmost to put matters right as quickly as possible.

Please telephone or write with details of your concern. If you telephone we will try to give you an answer straight away. If we cannot do so at the time we will tell you why and explain what we have to do next. We will contact you again within ten working days to bring you up to date with the situation.

If you write to us we will try to give you a full reply within ten working days. However, sometimes we are unable to do so because, for example, we have to contact another organisation. In this case we will send you an interim reply. This will explain what we are doing, tell you who is handling your complaint, and when we expect to send you a full reply.

What to do if you are not satisfied

If you are not satisfied with the way we have handled your complaint please write to the Pension Services Manager, Armed Forces Pensions, Paymaster, who will look into the matter urgently.

What to do next

If you are still not satisfied with our reply you may write to the Public Sector Pensions Payroll Manager, Paymaster, who will reply within ten working days.

Further Steps

If you remain dissatisfied, you can get help from the Occupational Pensions Advisory Service (OPAS). You may also take your case to the Pensions Ombudsman. The address for both of these is 11 Belgrave Road, London, SW1V 1RB. Please contact OPAS before you write to the Pensions Ombudsman.

Website

A copy of this Newsletter has been posted onto our website, which can be visited at www.paymaster.co.uk

Contacting Paymaster

We have established a multi media Communications Centre to enable us to deal with your enquiries as quickly as possible. If you have a question about your pension or wish to tell us about a change in your circumstances, such as a new address, bank or building society account, please call us. If you call to notify us of an account change, please have your old and new payment details to hand. We will endeavour to deal with your enquiry or change your details straight away.

When contacting Paymaster please make sure you quote your **Paymaster reference number** and **National Insurance number** and include a **daytime telephone number** if possible.

We will aim to respond to your enquiry within 5 working days, although it can take up to 10 working days for a reply to be issued. Please remember that if you telephone, fax or e-mail Paymaster it may be necessary for us to reply by post.

The Paymaster Communications Centre is open from 8am to 6pm Monday to Friday. However, our lines are always extremely busy on a Monday. If your call is not urgent you may find it more convenient to contact us between Tuesday and Friday.

The AFPS endorse the fact that abusive verbal behaviour will not be tolerated and any such calls will be terminated.

Please call	01293 604050	(Royal Navy)
	01293 604040	(Army)
	01293 604060	(RAF)

Calls may be monitored or recorded for quality and training purposes.

Our address is: **PAYMASTER, RUSSELL WAY, CRAWLEY, WEST SUSSEX, RH10 1UH**

Our fax number is: **01293 604057**

Our e-mail address for general enquiries is: afppensions@paymaster.co.uk

Please do not use e-mail to notify us of a change in your personal details e.g. a change of address or banking details. Changes to personal details **must** still be notified by telephone or in writing.

If you would like a larger print version of this newsletter, please contact Paymaster

Paymaster

2002
NEWSLETTER

ARMED FORCES PENSION SCHEME (AFPS)

2002 Pension Increase

An increase to your pension will be payable if you are over age 55 or if the pension is an ill health, widow's, widower's or child's pension. Any increase due to you will be paid from 8 April 2002. The full increase is 1.7%. The increase of 1.7% is based on the rise in retail prices in the 12 months ended 30 September 2001 and not 31 March 2002. You may, however, be paid a lower percentage if your pension started on or after 24 April 2001.

Your first payment after 8 April 2002 will only include the increase from that date. All of your next payment will be at the new amount. Details of your percentage increase and the new yearly rate will be shown on your advice note or payable order counterfoil.

The advice or counterfoil will also give a forecast of your next payment. This will apply providing your yearly rate, tax liability or other deductions do not change. The tax deducted from your pension may vary from payment to payment due to fluctuations in the tax tables.

If you are not currently eligible for Pensions Increase and you become permanently incapable of full time employment through physical or mental infirmity, you may be able to claim early payment of Pensions Increase. If this applies please contact the Department that awarded your pension.

Guaranteed Minimum Pension (GMP)

The following will only apply to you if you retired from the Armed Forces after 5 April 1978.

The Social Security Pensions Act 1975 introduced the State Earnings Related Pension Scheme (SERPS). The AFPS contracted out from this scheme but, by law, had to pay a pension benefit at least as good as that paid out by SERPS. This amount is known as your GMP. We have been asked by the MOD to give you a brief description of how GMP may affect your Armed Forces Pension benefits.

When you claim your State benefits the DWP (Department of Work and Pensions, formerly DSS) will advise us how much of your pension is the GMP amount. Please note that this is not an additional amount but is part of your existing pension. The DWP then become responsible for paying part of the increase on your GMP with your state benefits. This addition will be shown on the statement you receive annually from the DWP (DWP may refer to GMP as Contracted Out Deductions [COD]). Paymaster must allow for this when calculating the increase on your pension to avoid you receiving an increase on the same amount of GMP twice.

The GMP may be in two parts, for the period 5 April 1978 to the date you left the Armed Forces (or 5 April 1988 whichever is the earlier) and for the period 6 April 1988 until you left the service (or 5 April 1997 whichever is the earlier). Paymaster will increase the part of the GMP which was earned **after** 5 April 1988 and pay this with your Armed Forces Pension (AFP) but only up to a maximum of 3%. Any increase above 3% and ALL the increase on the GMP amount earned **before** 6 April 1988 is paid by the DWP with your State benefits.

However, a further change in the law (Pensions Act 1995) means that Paymaster will pay the increase in full on all benefits earned after 5 April 1997.

Unfortunately, on occasions, the DWP does not advise us in time of the value of your GMP. This will mean you may have received an increase on your GMP in with your AFP and your State pension. We will have to adjust later pension payments to allow for any overpayment or underpayment but we shall notify you in advance before doing so.

A "Guide to Retirement Pensions" booklet, which will give you more details about this subject, is available from your local Benefits Agency (DWP) Office. If you need to know how your GMP is calculated please write to **The Inland Revenue NI Contributions Office, Longbenton, Newcastle-upon-Tyne, NE98 1ZZ**. If you need to know how GMP affects your State pension please write to **The Benefits Agency, OSD (Pensions), Longbenton, Newcastle-upon-Tyne, NE98 1YX**.

GMP may also apply to widow/er's whose spouse retired from the Armed Forces after 5 April 1978.

Your tax code

The Tax Office tells us how much tax to take from your pension. If you want to ask about your tax code or tax liability, please write to:

**Inland Revenue (PD2)
Ty Glas
CARDIFF CF14 5ZN**

Or telephone **0845 300 3949** (Please note new number)

You will need to quote your **National Insurance number** and **PAYE reference**, which can be found on your pension advice note or form P60, as well as your **Paymaster reference number**.

Your P60

If you paid tax on your pension we will send you a form P60 by the middle of May. Your P60 will give you details of the pension we have paid you and the tax we have taken off in the tax year 2001/2002. **We will not send a P60 if no tax was taken.**

The amount before tax shown on your P60 is usually different from the yearly rate paid for most of that year. This is because:

- The first payment you received in the tax year included one or more days before the last increase on 9 April 2001
- Or your pension started during the tax year
- Or it was not paid in full for the whole of the tax year.

Please note that your P60 may be enclosed with this newsletter or issued as a separate document.

Pension Sharing on Divorce

From 1 December 2000, courts have had the option of making pension sharing orders following divorce. If you wish to know more details please request leaflet AFPS/POD/3 from your Pension Awarding Branch.

National Fraud Initiative

The AFPS is participating in a National Fraud Initiative. The purpose is to confirm entitlement to pension and other benefits such as housing benefits. This will involve the checking of the Paymaster database of Armed Forces pensioners against other databases held by public bodies including the Department for Work and Pensions.

IMPORTANT REMINDERS

> Change of address or payment details

If you change your address, bank or building society details you must tell Paymaster straight away. If we discover that we do not hold up to date details, we may have to suspend your pension. If you get more than one pension from Paymaster, please tell us the reference numbers of all pensions to which the change applies.

Death

> Your pension

Please tell your next of kin or other representative that in the unfortunate event of your death they must inform Paymaster without delay. The pension payable to you is due up to and including the date of your death. Pension payments made after that date are not due and any overpayment must be repaid.

Where your pension is paid direct to a bank or building society account we will ask the bank to refund pension paid after the date of death. If you have your pension paid into a joint account it is important that the other account holder is aware of this. At the same time we will advise your next of kin or personal representative of our action.

If there is any residue of pension or other payment due it will be notified to your next of kin or personal representative as soon as possible.

> A pension for your widow or widower

If your surviving spouse is eligible for a widow's or widower's pension we will pay their pension as quickly as possible after it has been calculated and authorised by your awarding department.

Getting married again

If you receive an Armed Forces widow's or widower's pension and you decide to re-marry or live with another person as husband and wife, you must let us know as it may affect your pension.

Extension of Child Benefits (over age 17)

If you still receive Children's Forces Family Pension, either in your own right or on behalf of a child over age 17, you must let Paymaster know immediately if that child permanently leaves the original course of full time education for which the benefit was authorised. Failure to do so will result in an overpayment which will have to be repaid.