

Notification of Early Departure Payments ceasing on joining the Non Regular Permanent Staff (NRPS) with effect from 6 April 2009

Key points:-

- Where an individual has been awarded EDP benefits the EDP income (monthly) payments will stop upon joining the NRPS, but will resume on leaving this employment.
- An individual will be required to repay any “unexpired” portion of his EDP Lump Sum dependent on how long the individual has been out of Regular Service prior to joining the NRPS.

Background

Statutory Instrument - Armed Forces Early Departure Payments Scheme Order 2005 No. 437

The Statutory Instrument which is the legal framework of the EDP rules is called The Armed Forces Early Departure Payments Scheme Order 2005 No. 437. This Statutory Instrument has now been amended by The Armed Forces Pension Scheme etc (Amendment) Order 2009 No 544 to include NRPS effective from 6th April 2009. This brings the treatment of NRPS personnel into line with FTRS/ADC personnel who have been awarded EDP benefits and take up an FTRS/ADC appointment.

A DIN will be issued shortly to notify NRPS personnel of this change and JSP 764 Part 2 Chapter 2 para 0219 – 0220 will be amended in due course to include the NRPS changes listed.

Effect on EDP Award

EDP Lump Sum

If an individual is in receipt of EDP benefits and he takes up an NRPS appointment on or after 6 April 2009 he will be required to repay either a portion, all or none of the EDP lump sum that he received dependent on the length of time the individual has been out of Regular Service prior to joining the NRPS. As NRPS appointments do not attract EDP awards, once the EDP lump sum “unexpired” portion is repaid it will be lost for ever. The formula for working out the proportion which must be repaid is described in JSP 764 Part 2 Chapter 2 Para 0214.

EDP Income Monthly

If an individual is in receipt of EDP benefits and he takes up a NRPS appointment on or after 6 April 2009 his EDP income (monthly) will be stopped during his NRPS appointment. When he leaves this employment his EDP income (monthly) will resume at:-

- (a) the same rate as initially awarded, if he is under age 55; or
- (b) if he has reached his 55th birthday but is less than 65 it will resume at 75% of preserved pension. At age 55 (or beyond) EDP income will be adjusted for inflation.
- (c) if he leaves at age 65 or later his EDP income (Monthly) will not restart. Instead, if he is an AFPS 05 member his preserved AFPS 05 pension benefits will become payable. If he is not an AFPS 05 member it is assumed that his benefits from his private pension arrangements become payable at age 65.

Implications

Questions and Answers - Early Departure Payments (EDP) & NRPS Employment

Q1. If I am in receipt of EDP benefits and joined the NRPS on or after 6th April 2009 will my EDP income (monthly) stop and will I have to repay the lump sum I received?

A1. Yes, if you joined the NRPS on or after 6th April 2009 your EDP income (monthly) will stop but will resume on leaving this employment (see above for details). You may have to repay a portion, all or none of the lump sum you received dependent on the length of time you have been out of Regular Service prior to joining the NRPS.

Q2. If I was in receipt of EDP benefits and joined NRPS on or before 5th April 2009 will my EDP income (monthly) stop and will I have to repay the lump sum I received?

A2. No, the changes in the rules for EDP for those who joined NRPS did not take effect until 6th April 2009 therefore, your EDP income (monthly) will continue and your EDP lump sum is not affected and does not need to be repaid.

Q3. I am in receipt of EDP benefits and joined NRPS on or before 5th April 2009. I am due to extend my current NRPS engagement for a further period. Will my EDP income (monthly) stop at this point?

A3. No, as long as there is no break or change in your NRPS Service (i.e. continual service, same post & same rank) your EDP income (monthly) will continue.

Q4. I am in receipt of EDP benefits and joined NRPS on or before 5th April 2009 and there is a possibility that I will be made redundant in the future. If I am made redundant and subsequently find another NRPS post either before or after the date of redundancy will my monthly EDP stop?

A4. Yes, EDP income (monthly) will stop as you will have taken up a new NRPS post. NB: You should also be aware that should you be made redundant from NRPS and then re-employed in an NRPS post you may be required to repay a portion of the NRPS redundancy compensation received.

Q5. I am in receipt of EDP benefits and joined NRPS on or before 5th April 2009 and I am looking to apply for another NRPS post. If I am successful will my EDP income (monthly) stop?

A5. Yes, your EDP income (monthly) will stop if you have a change of post.

Q6. I am in receipt of EDP benefits and joined NRPS on or before 5th April 2009 and expect to be promoted in the future. Will my EDP income (monthly) stop?

A6. No, as long as you remain in the same post. However, should you change post as a result of promotion your EDP Income (monthly) will stop.

Q7. I am thinking of applying for an NRPS post and do not have EDP benefits. However, I am in receipt of a monthly pension from the Armed Forces (Armed Forces Pension Scheme AFPS 75, Armed Forces Pension Scheme 05 or Reserve Forces Pension Scheme). Will my monthly pension payments stop if I am successful in joining the NRPS?

A7. No. There is no legislation to stop the payment of monthly Armed Forces Pensions for those who joined NRPS; the current legislation only affects EDP benefits. However, should the position change in the future it would be effective from a current date affecting those who join the NRPS thereafter.

Q8. I am currently employed in an NRPS post and do not have EDP benefits. However, I am in receipt of a monthly pension from the Armed Forces (Armed Forces Pension Scheme AFPS 75, Armed Forces Pension Scheme 05 or Reserve Forces Pension Scheme). Will my monthly pension payments now stop?

A8. No. There is no legislation to stop the payment of monthly Armed Forces Pensions for those who are employed within the NRPS; the current legislation only affects EDP benefits. However, should the position change in the future it would be effective from a current date affecting those who join NRPS thereafter with no retrospection for those who were in post.