



Armed Forces Redundancies

Standard Note: SN05951
Last updated: 24 January 2014
Author: Louisa Brooke-Holland and Djuna Thurley
Section: International Affairs and Defence; Business and Transport

The Armed Forces are undergoing a dramatic reduction in size and reorganisation. An Armed Forces Redundancy scheme is currently underway to achieve some of the reductions outlined in 2010 Strategic Defence and Security Review. Additional reductions for the Army were announced in July 2011 after a 'Three Month Review'. Altogether 33,000 personnel (19%) are to leave the services which will be achieved through a combination of redundancy, natural wastage and reduced intake. The bulk of the reduction is in the Army, which has a goal of reducing its regular force by nearly 20,000 personnel to 82,000 by 2020.

Four tranches of redundancies have been announced. Over 11,000 personnel have been selected for redundancy in three tranches, in 2011, 2012 and 2013. The fourth tranche, amounting to just over 1,500 service personnel, was announced by the Ministry of Defence on 23 January 2014. Notifications will be given on 12 June 2014. It predominantly affects Army personnel plus a small number of medical and dental staff in the Royal Navy and Royal Air Force. This will be the last tranche of redundancies.

Those serving on specified operations between the 23 January 2014 and 12 June 2014 will be excluded from selection for redundancy, as well those who, on the date of notification, have been warned of deployment for specified operations commencing on or before 12 December 2014. This does not apply to those who apply for redundancy.

A number of MPs have raised concerns about constituents who have been made redundant close to their qualifying age for their immediate pension. The Ministry of Defence has said the proximity of a retirement point is not a consideration when selecting individuals for redundancy.

This note was updated on 24 January 2014.

This information is provided to Members of Parliament in support of their parliamentary duties and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as being up to date; the law or policies may have changed since it was last updated; and it should not be relied upon as legal or professional advice or as a substitute for it. A suitably qualified professional should be consulted if specific advice or information is required.

This information is provided subject to [our general terms and conditions](#) which are available online or may be provided on request in hard copy. Authors are available to discuss the content of this briefing with Members and their staff, but not with the general public.

Contents

- 1 Summary 3**
- 2 Redundancies by service 4**
- 3 Background 5**
 - 3.1 Timeline 5
 - 3.2 Tranche 4 6
 - 3.3 Details of the scheme 8
 - 3.4 Exemptions: serving in Afghanistan 8
 - 3.5 Appeals process 9
 - 3.6 Support for those made redundant 9
 - 3.7 Costs 11
- 4 Members concerns 11**
- 5 Redundancy and pensions 11**
- 6 Useful Information 13**

1 Summary

The Armed Forces are undergoing a dramatic reduction in size and reorganisation. It is being reduced by 33,000, or 19% of the total, by 2020: 5,500 from the Royal Navy, 8,000 from the Royal Air Force and approximately 19,500 from the Army.¹

An Armed Forces Redundancy scheme is currently underway to achieve some of the reductions outlined in 2010 Strategic Defence and Security Review and in the subsequent Three Month Exercise'. The reductions will also be achieved through natural wastage and reduced intake.

Over 11,000 personnel across all three services were notified of their selection for redundancy in the first three tranches, which took place in 2011, 2012 and 2013.² The third tranche was announced in January 2013 and personnel informed in June 2013. Those selected for redundancy will serve up to six months notice if they were applicants and 12 months notice if they were non applicants.

A fourth, and final tranche, was announced on 23 January 2014.³ This will primarily affect the Army, with up to 1,422 personnel expected to be affected, plus up to 79 medical and dental personnel from the RAF and Royal Navy.⁴ The notification date for tranche four is 12 June 2014. Applicants will leave within six months and non-applicants within twelve months.

A number of Members have expressed concern about the overall pace of redundancy tethered to the increase in size of the Reserves. They point to problems with the IT system used for recruitment of both regulars and reserves and some Members have suggested the redundancy programme be halted until there is a visible increase in the number of Reserves recruited. An amendment to the Defence Reform Bill to require the Government to report on the viability and cost-effectiveness of the plan to increase the size of the Reserves, which would then be subject to approval by both Houses before the Government could continue with its reform agenda, was defeated on division.⁵

Volunteers for redundancy will serve up to six months notice and those selected for compulsory redundancy will serve up to twelve months notice. Applicants formed 62% of those made redundant in tranche one, 72% in tranche 2 and 84% in tranche 3. The Defence Secretary said he expects the percentage of applicants in tranche 4 to be lower than tranche 3 because "a number of specialist fields will face 100% selection, meaning that there is little or no incentive to volunteer."

Those serving in, preparing to go to, or on leaving having returned from Afghanistan on the notification dates are exempt from selection, unless they apply for voluntary redundancy.⁶

There are separate Voluntary Early Release Schemes for civilian personnel, for whom the MOD is seeking to avoid compulsory redundancy. 32,000 civilian personnel are to be cut, 25,000 of whom by 2015.⁷ This note does not look at civilian personnel.

¹ "Ministry of Defence top Level Messages: October 2013", MOD, accessed 24 January 2013

² HC Deb 19 November 2012 c225W

³ HC Deb 23 January 2014 c461

⁴ HC Deb 23 January 2014 c461 plus "tranche 4 redundancy: fields and maximum numbers", MOD statement.

⁵ HC Deb 20 November 2013 c1328

⁶ The notification date for tranche 3 is 18 June 2013; HC Deb 22 January 2013 c5WS

A number of MPs have raised concerns about constituents who have been made redundant close to their qualifying age for their immediate pension. The MOD has said length of reckonable service is not a selection criteria and personnel may be selected for redundancy just before or just after they qualify for an immediate pension.⁸ Defence Minister Lord Astor of Hever has rejected the suggestion that the redundancy scheme is affecting morale in the Armed Forces.⁹

Service personnel who are to be made redundant receive a resettlement package. This varies depending on the length of their entire engagement.

All three Services continue to recruit. The MOD is also actively recruiting Reserve Forces as part of its plan to substantially increase its Reserve Forces as part of Future Force 2020 and the restructure of the Army. More on this can be found in House of Commons Library Standard Note [Future Reserves 2020](#), SN06733, 3 October 2013

Detailed statistics for each tranche are published by DASA, the MOD's Defence Statistics department, on its [website](#).

2 Redundancies by service

Statistics on the number of applicants and selections for redundancy for tranches 1, 2 and 3 are provided by Defence Analytical Services and Advice (DASA) and include information on the number of *applicants* and the number of *selected* redundancies on the basis of Service, branch, age, sex and ethnicity.¹⁰

Service	Tranche One ¹¹	Tranche Two ¹²	Tranche 3 ¹³	Totals
Royal Air Force	920	720	0	1,640
Army	920	2,880	4,450	8,250
Royal Navy	1,020	160	0	1,180
Total	2,860	3,760	4,450	11,070

In tranche four, up to 1,422 Army personnel, 10 medical personnel in the Royal Navy and 69 medical and dental personnel in the Royal Navy are expected to be made redundant.¹⁴ Notifications of redundancy will be given on 12 June 2014.

Further information on Defence Personnel Statistics is in Library Standard Note SN02183 [Defence Personnel Statistics](#), 19 September 2013.

⁷ "Ministry of Defence top level messages: September 2012", MOD, accessed 3 October 2012; the first Voluntary Early Release Scheme was launched in spring 2011 and the second in November 2011. 6,000 accepted redundancy in the first scheme.

⁸ HL Deb 22 July 2013 c1042

⁹ HL Deb 22 July 2013 c1043

¹⁰ "UK Armed Forces – redundancy programme statistics tranche 1", DASA, 10 November 2011 & "UK Armed Forces – redundancy programme statistics tranche 2", DASA, 24 August 2012

¹¹ "UK Armed Forces – redundancy programme statistics tranche 1", DASA, 10 November 2011

¹² "UK Armed Forces – redundancy programme statistics tranche 2", DASA, 24 August 2012

¹³ "UK Armed Forces – redundancy programme statistics tranche 3", DASA, 18 June 2013

¹⁴ MOD, "tranche 4 redundancy – fields and maximum numbers", 23 January 2014

3 Background

The Ministry of Defence introduced the Redundancy scheme off the back of the Strategic Defence and Security Review (SDSR), published in October 2010. The Prime Minister stated his ambition was to “ensure that as many of the job losses as possible are found through voluntary redundancy and retirement, rather than through making people redundant.”¹⁵

The SDSR outlined total reductions of around 17,000 service personnel by 2015:

- Royal Navy to decrease by around 5,000 to 30,000
- Royal Air Force to decrease by around 5,000 to 33,000
- Army to decrease by around 7,000 to around 95,000¹⁶

The SDSR envisaged that by 2020 each service will number:

- Royal Navy: 29,000
- RAF: 31,500
- Army: 94,000¹⁷

Following an internal Three Month Exercise (3ME) the then Secretary of State for Defence, Liam Fox, announced in July 2011 a further reduction in the size of the Army:

By 2020, if the Territorial Army develops in the way we intend, we envisage a total force of around 120,000, with a regular to reserve ratio of around 70:30.¹⁸

This amounted to a further reduction of 12,000 Army personnel.¹⁹

The Defence Secretary, Philip Hammond, outlined how the Army is to be restructured to accommodate the reductions in personnel in his statement on *Army 2020* on 5 July 2012.²⁰ *Army 2020* outlines a division into two distinct elements: a Reaction force and an Adaptable force. It is based on a future Army strength by of 120,000: 82,000 Regular and 30,000 Reserves, totalling 112,000, plus a further 8,000 in training.²¹ This is all to be achieved by 2020.

In 2010 the trained strength of the Army was 102,200, which means a reduction of 20,000 personnel is required to achieve the target of 82,000.²²

3.1 Timeline

October 2010	Strategic Defence and Security Review published
18 July 2011	Liam Fox announces further reduction in size of Regular Army

¹⁵ HC Deb 19 October 2010 c814-5

¹⁶ HM Government, *Strategic Defence and Security Review*, Cm794 8 October 2010, p32

¹⁷ HM Government, *Strategic Defence and Security Review*, Cm794 8 October 2010, p32

¹⁸ [HC Deb 18 July 2011](#), c644

¹⁹ [MOD top level messages: November 2012](#), MOD website, accessed 4 December 2012

²⁰ [HC Deb 5 July 2012](#), c1085; L. Brooke-Holland, *Army 2020*, House of Commons Library Standard Note SN06396, 26 July 2012

²¹ Ibid

²² G. Berman, T. Rutherford, [Defence Personnel Statistics](#), House of Commons Library Standard Note SN02183, 15 March 2012, table 2

September 2011 ²³	2,860 personnel notified of their selection for redundancy in Tranche 1
February 2012	Applicants in tranche 1 leave
12 June 2012	3,760 personnel notified of their selection for redundancy in Tranche 2
5 July 2012	Army 2020 announcement
September 2012	Those selected for redundancy in tranche 1 to leave
11 December 2012	Applicants in tranche 2 to leave by
22 January 2013	Tranche 3 announced ²⁴
18 June 2013	Individuals notified of redundancy for tranche 3
23 January 2014	Tranche 4 announced ²⁵
12 January 2014	Notifications for tranche 4

3.2 Tranche 4

A fourth and final tranche was announced on 23 January 2014 affecting primarily the Army, plus several dozen medical and dental personnel in the Royal Navy and RAF. Defence Minister Mark Francois had previously warned that a small number of medical and dental officers from the Royal Navy and RAF are likely to be included in the fourth tranche.²⁶

The numbers for tranche 4 are smaller than previously estimated. In September 2012 the MOD estimated approximately 9,500 personnel would be released under tranches 3 and 4 and the process should be complete by the middle of 2015.²⁷ 4,450 were made redundant in tranche 3, which suggested a further 5,000 may be cut in tranche 4, based on those figures. However The Times reported seeing documents from the Armed Forces Redundancy Steering Group suggesting 2,500 to 2,900 personnel would be cut.²⁸ The Times also reports tension between the MOD and Downing Street over the scale of the cuts, with the latter reportedly expressing concern about the negative publicity about the redundancies.²⁹ The Defence Secretary said in his tranche 4 statement “the overall number of redundancies required is considerably lower than that predicted in some recent press articles and lower than in each of the three previous tranches.”³⁰

The Defence Secretary highlighted the Gurkhas will be particularly affected by this tranche. Over 350 Gurkha personnel from the Queens Own Gurkha Logistic Regiment, the Queens Gurkha Engineers, the Royal Gurkha Rifles and Gurkha Staff and Personnel Support are targeted for redundancy. The Ministry of Defence released a table listing the fields and maximum numbers for tranche 4:

²³ The Army and RAF gave notice on 1 September, Royal Navy on 30 September

²⁴ [HC Deb 22 January 2013 c5WS](#)

²⁵ HC Deb 23 January 2014 c461

²⁶ HC Deb 22 January 2013 c171

²⁷ Defence Committee, *Future Army 2020*, 5 December 2012 HC 803-i, q67

²⁸ “Army to shed 3,000 more jobs amid heavy political fighting”, *The Times*, 4 October 2013

²⁹ “Army to shed 3,000 more jobs amid heavy political fighting”, *The Times*, 4 October 2013

³⁰ HC Deb 23 January 2014 c461

Tranche 4 Redundancy - Fields and Maximum Numbers	
Army	TOTAL
Adjutant General's Corps (Royal Military Police)	70
Infantry	404
Royal Artillery	105
Royal Logistic Corps	401
Royal Army Veterinary Corps	34
Queens Own Gurkha Logistic Regiment	71
Queens Gurkha Engineers	28
Royal Gurkha Rifles	246
Gurkha Staff and Personnel Support	9
Royal Army Dental Corps	48
Royal Army Medical Corps (Professionally Qualified Officers)	6
Total	1422
RN	TOTAL
Surgeon Commodore	2
Histopathologist (Consultant)	1
Urologist (Consultant)	1
Ophthalmologist (Trainee/Consultant)	1
General Surgery (Trainee)	3
Trauma & Orthopaedic (Trainee)	2
Total	10
RAF	TOTAL
Urologist (Consultant)	1
Burns and Plastics (Consultant)	1
Trauma and Orthopaedic (Consultant)	3
Trauma and Orthopaedic (Trainee)	5
Ophthalmic Consultant	1
Mental Health Nurses	9
Operating Department Practitioners	4
Biomedical Scientist	2
Radiographer	1
Dental Officers	16
Dental Nurses	9
Dental Hygienists	12
Dental Technicians	5
Total	69
Total across all three Services	1501

General Sir Peter Wall, Chief of the General Staff, told the Defence Committee in December 2012 he expects the complete process to be over the middle of 2015.

3.3 Details of the scheme

- Official details of the RAF redundancy scheme were announced on 1 March 2011 and official details of the Army and Royal Navy schemes were announced on 4 April 2011.
- Selection Boards will determine which personnel will be selected for redundancy in order to retain a balanced and sustainable force.
- Although this is a compulsory redundancy scheme, personnel will still be able to volunteer for redundancy. However, only those personnel who are eligible (by rank, branch or trade), will be able to apply. Eligibility is set out in the Defence Instruction Notices (which are not in the public domain). Selection for redundancy will depend upon the overriding requirements of each of the Services and, therefore, it is possible that some applications for voluntary redundancy will be turned down.³¹
- Volunteers for redundancy will serve up to six months notice and those selected for compulsory redundancy will serve up to twelve months notice. Personnel selected for redundancy will be able to request to leave earlier and such requests will be considered in the light of Service requirements.
- All personnel made compulsorily redundant will have the opportunity to apply to transfer to an area of the Service that has shortages.
- Personnel being made redundant will receive assistance from the MOD on their transition back into civilian life. This includes a range of advice covering housing and finance, the civilian jobs market and how transferable their military skills are.
- No injured or wounded personnel will be made redundant unless they decide to apply. Those personnel who have completed their medical care and returned to military duty will, however, be eligible for compulsory redundancy under the scheme.³²
- Those who are assessed as being permanently below the level of fitness required to remain in the forces are excluded from redundancy and will leave through the medical discharge route.

3.4 Exemptions: serving in Afghanistan

No-one serving in Afghanistan in receipt of the operational allowance, no one preparing to deploy to Afghanistan, nobody on post-deployment leave and no-one who is recovering at the point when any compulsory redundancies are made, will be made compulsory redundant, the Secretary of State for Defence has stated.³³ These exemptions do not apply to those who have applied for voluntary redundancy.

It is the date when compulsory redundancies are made that matters for deciding whether a soldier is exempt, or not, from compulsory redundancy.

³¹ "Defence Internal Brief 2011/DIB/11", *Navy Families Federation*, March 2011

³² Ministry of Defence, *Defence in the Media*, 15 April 2011

³³ HC Deb 2 March 2011 c307-8

Philip Hammond said that for tranche 4, those serving on specified operations any time between 23 January 2014 (the day of announcement) and the notification date (12 June 2014) will be excluded from selection for redundancy. Those who have been warned for specified operations commencing on or before 12 December 2014 on the notification date will also be excluded. However those who apply for redundancy and have been warned for specified operations deploying before 12 December 2014 may still be directed to deploy. Mr Hammond said “this is to ensure that their places do not have to be backfilled at short notice owing to the notification period occurring over the handover between the Herrick 19 and Herrick 20 deployments.”³⁴ This means an individual whose application for redundancy is accepted may still be deployed to Afghanistan in the latter half of 2014.

The post-operational tour leave allowance is one working day for every nine calendar days deployed, which roughly equates to 20 days for a six month deployment. For example, those serving on Operation *Herrick 14* in Afghanistan (April-October 2011) and those who were on notice to deploy as part of Operation *Herrick 15* in October/November 2011 were exempt from compulsory redundancy in tranche 1.

3.5 Appeals process

Any individual selected for compulsory redundancy, and any unsuccessful applicant for voluntary redundancy, can appeal against their selection on the grounds that the Redundancy Selection Boards:

- failed to take into account some fact which should have been considered;
- took into account some factor that should not have been considered;
- Failed to follow proper procedure.

Personnel who wish to appeal have 30 calendar days (not working days) from the date of their notification letter to submit a written appeal through the appropriate channels.

All appeals will be considered by an Appeals Adjudicator, who will be an officer not previously involved in the selection or approval for redundancy of the individual concerned.

The redundancy appeals process does not prejudice an individual’s statutory right to make a Service Complaint under Section 334 of the *Armed Forces Act 2006*. However, the appellant would need to demonstrate that the redundancy appeal process had been exhausted before any Service complaint could be considered.

3.6 Support for those made redundant

All regular service leavers receive a service leavers’ pack 9 months prior to their termination date. The pack includes a termination timeline which outlines the points they are offered advice on transition and health checks before leaving the service. The Service Leavers pack is available from the MOD website: [Service leavers pack](#).

The MOD says it provides a range of support for those made redundant which is “specifically designed to assist in finding new employment”.³⁵ The Minister for Defence Personnel, Rt Hon Mark Francois, said:

³⁴ HC Deb 23 January 2014 c461

³⁵ HC Deb 10 September 2012 c73W

All those made redundant will qualify for the level of resettlement assistance associated with their length of service, and the engagement they could have expected to complete had they not been made redundant.³⁶

On a separate occasion, Mr Francois expanded:

The Ministry of Defence (MOD) will provide assistance to all those former military personnel who have been or will be made redundant. Individuals selected for redundancy are entitled to the same resettlement package which they would have received had they completed the whole of their service commitment.

The majority of resettlement provision is contracted out to the Career Transition Partnership. This is a partnering arrangement between the MOD and Right Management Ltd, a leading outplacement company. The Career Transition Partnership assists eligible Service leavers in making a successful transition to civilian life by providing career transition workshops; employment and future career advice; assistance with CV writing and job preparation; vocational training; and a job-finding recruitment facility. This assistance is provided for two years after leaving the MOD.

Furthermore, service leavers are entitled to lifetime job finding support through either the Officers Association or the Regular Forces Employment Association.³⁷

Mr Francois said in January 2013 that 93% of those who look for work via the Career Transition Partnership are in full-time employment within six months of leaving the services, and 97% after 12 months. He said 91% of tranche 1 applicants (more than 1,500 in total) have already found employment.³⁸

The Full Resettlement Programme, for which the majority of those made redundant will qualify, according to the MOD, comprises:

- a three-day Career Transition Workshop;
- the use of a career consultant;
- access to a job finding service;
- up to 35 days retraining time;
- funding of up to £6,534;
- access to a wide range of accredited vocational training courses and workshops;
- Resettlement support up to two years after leaving.³⁹

Soldiers can register with the [Career Transition Partnership](#) website which is a partnering agreement between the Ministry of Defence and Right Management Ltd. It provides a range of advice for soldiers planning to leave and who have left to transition to a new career. Including [resettlement guides](#) on a range of topics like housing, finance and benefits.

Personnel may also apply for funding to support further education. Defence Minister Mark Francois explained:

³⁶ HC Deb 10 September 2012 c73W

³⁷ HC Deb 13 November 2012 c163W

³⁸ HC Deb 22 January 2013 c171

³⁹ HC Deb 10 September 2012 c73W

All personnel being made redundant under tranche 3 are eligible to apply for the publicly funded Further and Higher Education (FE/HE) support scheme, subject to them meeting the published criteria, chief among which is being registered for the Enhanced Learning Credit (ELC) scheme.

The ELC scheme complements the existing Standard Learning Credit scheme which provides financial support to personnel while still serving. ELC assists eligible personnel with payment towards the cost of higher-level learning, level 3 or above on the National Qualifications Framework or Qualifications and Credit Framework. Personnel make a personal contribution of 20% of the total course fees and can receive a single payment, in each of a maximum of three separate financial years, of up to £1,000 or £2,000 depending on qualifying scheme membership to cover up to a maximum of 80% of course fees.

Service personnel can, and do, use this allowance to pursue university degree courses across a wide range of subjects. The ELC scheme is available to redundees for up to 10 years after they leave the armed forces.⁴⁰

3.7 Costs

The MOD said in early September 2012 that as the Armed Forces Redundancy Programme is ongoing the total costs in respect of redundancy compensation payments will not be known for some time. It said the costs for tranche 1, representing 2,835 personnel, amounted to £102 million.⁴¹

4 Members concerns

Members have voiced their concern about the scale of the drawdown repeatedly in the House. Their concerns focus on the overall numbers being cut; the reduction in the Order of Battle with a number of units being cut or amalgamated; and whether the Government can achieve the considerable increase in Reservists by 2018 to complement the Regulars in the new Army structure known as Army 2020. These concerns are explored more fully in House of Commons Library Note [Future Reserves](#), SN06733.

An amendment to the Defence Reform Bill to require the Government to report on the viability and cost-effectiveness of the plan to increase the size of the Reserves, which would then be subject to approval by both Houses before the Government could continue with its reform agenda, was defeated on division. More on this can be found in House of Commons Library Note [Report Stage and Third Reading of the Defence Reform Bill](#), SN06768.

Members have also responded to constituent complaints from those being made redundant shortly before they reach their Immediate Pension pot. The pension question is examined in the following section.

5 Redundancy and pensions⁴²

There are two main pension schemes for members of the armed forces. AFPS 75 was closed to new entrants on 6 April 2005. The scheme for new entrants from that date is AFPS 05.⁴³ The earliest age a full career (maximum) pension can be paid from AFPS 75 is 55. However, because members of the armed forces typically do not serve until this age, the scheme

⁴⁰ HC Deb 12 February 2013 c639W

⁴¹ HC Deb 10 Sep 2012 c73W

⁴² Pensions section contributed by Djuna Thurley, Library pensions specialist

⁴³ [Armed Forces Pension Scheme 05, 'Your Pension Scheme Explained'](#) (January 2007)

therefore provides an Immediate Pension for those who have reached the Immediate Pension Point (IPP):

The immediate pension points (IPP) for all service personnel under the Armed Forces Pension Scheme 1975 are the same for all three services. In the case of officers there are two alternatives, the first is an IPP based on 16 years service from the 21st birthday and the second is 22 years from the 18th birthday. The IPP for enlisted personnel is based upon 22 years service from their 18(th) birthday.⁴⁴

Members of AFPS 05 may be entitled to an “Early Departure Payment” from age 40 after 18 years’ service. A leaflet for scheme members explains:

If you leave the Armed Forces before age 55, but having reached at least age 40 AND having served at least 18 years (the EDP 18/40 Point), you will get a tax-free lump sum and an income paid until age 65. (See pages 11-12 for details, including examples.⁴⁵

In 2012, a number of press reports suggested that some soldiers had been made redundant shortly becoming entitled to the Immediate Pension, with the result that they would have to wait until age 60 (or 65 for service from April 2006) to receive their pension.⁴⁶

The Government says that proximity to pension is not a criterion for selection for redundancy:

Mr Jim Murphy: To ask the Secretary of State for Defence for what reason the immediate pensions point was not considered a factor in decisions over redundancy in the armed forces. [139884]

Mr Francois: The redundancy fields were designed in order to meet the future structural needs of the armed forces. Individuals are selected from within those fields on the basis of specific criteria of performance, potential and future employability. To exempt individuals for redundancy solely in order to enable them to reach their immediate pension point, subsequently selecting other individuals in their stead, would undermine that principle and is not considered fair.⁴⁷

Furthermore, it argues that to exempt individuals from redundancy solely to enable them to reach their pension point would not be fair on others; that for other ranks in AFPS75, the normal requirement to serve for 22 years before receiving immediate income is reduced to 18 years on redundancy; and that there is a redundancy compensation scheme for those not eligible for an immediate pension or early departure payment.⁴⁸

In September 2012, the Government said that 1.2% of those selected for redundancy were within one year of qualifying for their Immediate Pension.⁴⁹ In March 2013, it said that around 1% (64) of individuals who had been selected for redundancy in the first two tranches (2012/13 and 2013/14) were non-applicants who were within one year of qualifying for immediate pension.⁵⁰ The Government has not calculated the average actuarial loss of pension income of those who had, since May 2010, been made redundant within a year of

⁴⁴ [HC Deb, 30 January 2013, c801W](#); For more detail, see AFPS75, [Your pension scheme explained](#), (MMP/106, re-issued May 2008), p 10

⁴⁵ [Armed Forces Pension Scheme 05, 'Your Pension Scheme Explained'](#) (January 2007)

⁴⁶ Thomas Harding, [‘Soldiers sacked days before pension date’](#), *Daily Telegraph*, 18 June 2012; See also, Deborah Haynes, [Army pension injustice must be reversed, MPs urge](#), *The Times*, 6 September 2012

⁴⁷ [HC Deb 20 January 2013 c801-2W](#); [HC Deb, 28 February 2013 c591W](#)

⁴⁸ [HL Deb 31 October 2013 c1740-1 \[Lord Astor of Hever\]](#); [HC Deb 20 January 2013 c801-2W](#); [HC Deb, 28 February 2013 c591W](#)

⁴⁹ [HC Deb, 17 September 2012, c354-5W](#)

⁵⁰ [HC Deb, 1 March 2013, c716](#); But see [HL Deb, 22 July 2013, c1040-43](#)

the immediate pension point. However, it makes the point that the loss is to some extent offset by compensation payments.⁵¹

The 2012 annual report on the Armed Forces Covenant included a suggestion from several charities that the Government look again at the issue:

Planned reductions in the size of the regular forces have inevitably led to compulsory redundancies and many more are to be announced. Some personnel have been made redundant mere days before they would have been entitled to immediate pensions by virtue of length of service. This has understandably attracted negative publicity and led to a sense of betrayal of the spirit, if not the precise terms, of the Armed Forces Covenant among those affected. We recognise the difficulty of designing a selection process that avoids any criticism but the government should carefully examine how it can avoid a repeat of such circumstances in future rounds of redundancies by, for example, excluding anybody within (say) 12 months of being entitled to receive an immediate pension and also review how it can restore pension rights to those who have been disadvantaged so far.⁵²

The Government set out its position in the 2013 report, as follows:

In order to ensure the greatest fairness, clear selection criteria have been published by each of the Services. These criteria are based on the future needs of the Armed Forces – exempting personnel from selection on the basis of their proximity to pension point would be contrary to this principle and would mean selecting other individuals in their stead. The Armed Forces Redundancy Schemes recognise those who miss out on immediate incomes by paying them significantly enhanced tax-free redundancy compensation lump sums – the average tax free compensation for Service personnel leaving the Armed Forces with less than one year to their Immediate Pension Point is around £73K. Where people leave before the qualification point, any pension rights that have been earned will also give them preserved pensions and further tax-free lump sums which they will receive at age 60 or 65.

We have worked hard to ensure that many more individuals have received an immediate income for which they would not otherwise have qualified. For other ranks on Armed Forces Pension Scheme 75, the normal requirement to serve for 22 years before receiving an immediate income is reduced to 18 years on redundancy. Officers on Armed Forces Pension Scheme 75 will still qualify for an immediate income after 16 years. Personnel on Armed Forces Pension Scheme 05 will continue to receive Early Departure Payments after serving for 18 years, provided that they have reached the age of 40.⁵³

There is a campaign for “pension justice for troops made compulsorily redundant close to pension point.”⁵⁴ The Government has responded to an e-petition on the issue.⁵⁵

6 Useful Information

- The services are providing FAQ on the redundancy programme. The [Royal Navy](#), for example, provides a FAQ on its website.

⁵¹ [HC Deb, 22 March 2013, c828W](#); A further written answer includes an example to illustrate the financial impact [HC Deb, 28 February 2013, c591W](#)

⁵² Ministry of Defence, The Armed Forces Covenant Annual Report 2012, December 2012. The observation is from COBSEO, RBL, SSAFA, WWA and Professor Hew Strachan.

⁵³ [Armed Forces Covenant Annual Report 2013](#), 16 December 2013, p52

⁵⁴ [Pensions Justice for Troops](#) website (viewed January 2014)

⁵⁵ [HM Government – e-petition](#)

- The [Naval Families Federation](#) has compiled a series of useful documents relating to the redundancy programme, including the resettlement process, how to appeal and what charitable support is available:
- The [Army Families Federation](#) has compiled a series of Q&A on issues relating to the redundancy programme, such as the impact on Service housing and the ongoing education of Service children.
- The MOD has made available a [Redundancy Calculator](#), which provides Service personnel with a forecast of their redundancy and pension benefits
- The [Career Transition Partnership](#) provides resettlement support to leavers of the Armed Forces and career transition services to eligible Service leavers as part of their resettlement process.
- British Army, [Transition to Civilian Life](#) booklet – a welfare guide for the Service Leaver