



Ministry
of Defence

Armed Forces Compensation Scheme

Statement of Policy



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Chapter 1 – Introduction

Overview

1.1. The Armed Forces Compensation Scheme (AFCS) provides compensation for injury, illness or death caused by service in the UK Armed Forces on or after 6 April 2005. The Scheme applies equally to Regular and Reserve forces. Compensation is paid for injuries¹ which arise as a result of service, regardless of how they are sustained. No distinction is made between injuries sustained on operations, and those incurred during training, service-approved sport, or while exercising to maintain fitness. Recognising that members of the Armed Forces do not generally choose where they deploy and what activities they undertake as part of their service, the compensation scheme covers the wide spectrum of activity the Armed Forces undertake.

1.2. The AFCS is a no-fault scheme, and is therefore different from awards for damages paid through the courts. If an individual believes they have been injured as a result of negligence, having an AFCS award does not prevent them from bringing a claim through the common law damages route, although an AFCS award would be taken into account in the damages payment (or vice versa). This is in keeping with the longstanding principle that an individual should not be compensated twice for the same injury.

1.3. The Scheme rules are set out in legislation in The Armed Forces and Reserve Forces (Compensation Scheme) Order 2011² and the Scheme is administered by the Service Personnel and Veterans Agency (SPVA). This document lays out the policy underpinning the Scheme.

Scheme Principles

1.4. The Scheme has been designed to be consistent with a number of fundamental underlying principles. These were examined and clarified by former Chief of Defence Staff, Admiral the Lord Boyce, during his wide-ranging review of the Scheme which was published in February 2010. These principles, as re-invigorated by Lord Boyce are to:

Be Fair

- The arrangements guarantee a fair deal for all those who are entitled to compensation. The unique nature of military service is reflected by the Nation's continuing commitment to those who have been injured, with an appropriate recognition for their sacrifice. The arrangements deliver consistent and equitable outcomes, with due recognition to the needs of those most seriously injured who receive higher awards than those less seriously injured.

1. Where the term 'injury' appears in this context, it should be construed to include cases of illness or death, where appropriate to do so, unless specified otherwise

2. SI 2011/517

Be Understandable, Accessible and Transparent

- Every effort is made to ensure that claimants are able to understand the basic elements of the Scheme and the claims process. Transparency is a key consideration, with widely available clear information and guidance enabling claimants to successfully access the scheme. Information concerning claimants' overall compensation package is to be straightforward and comprehensible to all.

Be Contemporary and Joined Up

- The arrangements reflect contemporary best practice in relation to disability, by supporting people to look forward in their lives, empowering them and enhancing their capability. Reflecting this ethos, the Scheme is one element in a co-ordinated range of services, benefits and programmes provided by the responsible government departments, devolved administrations and delivery agencies working together to maximise the individual's well-being.

Provide Security

- Compensation is fixed at realistic and sustainable levels. For those most seriously injured who may be unable to work again after service, there is lifetime financial support and security.

Encourage Employability

- As work is generally good for health and well-being, awards should not act as a disincentive to those who are able to work, or to engage in treatment.

Be Compatible with Human Rights and Fairness at Work

- The arrangements are consistent with the Government's commitment to human rights and to being a modern and fair employer.

Be Sustainable

- The arrangements are sustainable realistic and fair also to the taxpayer. This includes ensuring the arrangements are affordable.

Chapter 2 – Eligibility

Causation

2.1. The Scheme provides compensation for illness, injury or death where caused (wholly or partly) by an individual's service in the Armed Forces. A payment is made from the Scheme where the claimant shows that the balance of probabilities is such that their injury is more likely than not to have been caused by service. Where the injury is partly caused by service, compensation is payable if service is the predominant cause of the injury.

2.2. While the responsibility to show that the injury is caused by service rests with the individual, the process is designed not to be onerous. The process of determining a claim is inquisitorial and not adversarial, with SPVA undertaking the vast majority of evidence gathering on the individual's behalf.

2.3. If an individual does not agree with the decision made on their claim, they can request that SPVA reconsider their case; there is also access to an independent tribunal system see paragraphs 8.24 to 8.37.

2.4. In order to bring clarity, injuries sustained in a limited number of specified contexts are specifically excluded from the Scheme as such injuries are not considered to have been caused (wholly or predominantly) by service. These include injuries caused by or occurring during: social events, travel to and from work, sport which is not formally recognised or not had prior approval, and the majority of slips and trips. For more details on these categories (see paragraphs 2.21 to 2.33) below.

2.5. There are no automatic entitlements to obtaining a payment under the Scheme. Where injury is caused in circumstances that are not excluded by the Scheme, an assessment will be made as to whether the injury or injuries sustained are caused by service. It is possible that some injuries sustained in contexts covered by the Scheme will not attract compensation.

Evidence and complex cases

2.6. Each case is considered on its merits. Decisions are made by SPVA decision makers who are supported through training and guidance. They will consider the case taking account of all relevant evidence relating to the incident and injury.

2.7. Most cases are relatively straightforward in terms of establishing whether the injury claimed was caused by service. Given the potentially complex nature of service life, there can be instances where it is difficult to establish whether an injury is caused by service or not. In these cases, the decision maker will be required to make a judgement, having taken account of all the facts of the case, as to whether the injury was caused wholly or partly by service or not. Where the case is difficult or borderline the decision maker may need to engage with the MOD policy team. This can mean it takes a little longer than usual to arrive at a final decision.

2.8. Factors that may mean an injury was more likely to be caused by service include, but are not confined to: acting on orders, responding to a service-related emergency, being on operations or exercise, participation in service-approved and recognised sport, being in a hazardous environment as a result of service, or performing an activity specified in the individual's job description.

2.9. Factors that may mean an injury was less likely to be caused by service include, but are not confined to: disobeying orders, being at a social event, using alcohol or drugs, or participation in a sporting activity that has not received prior approval from the Defence Council ³.

Claim assessment

2.10. Decision makers are trained in making accurate decisions in the Scheme, and are supported by policy advice and guidance. Where a decision requires medical input, the decision maker can seek advice from in-house SPVA medical advisers. SPVA medical advisers are independent from the clinicians who treat individuals when they are injured. This enables advice to be given which is separate to the medical and rehabilitation process, so the assessment is not influenced by the clinician's therapeutic relationship with the patient.

2.11. This process of analysis by officers with appropriate training ensures that awards are based on the evidence, are consistent and equitable from the outset, and properly reflect the full extent of the injury or injuries which have been caused by service.

2.12. In some cases the SPVA will seek medical advice when assessing the claim or appeal from the outset. The types of case which are automatically referred for medical advice are:

- Those who are most seriously injured⁴
- All cases involving mental illness
- Cases where a Supplementary Award is likely to apply (see paragraphs 3.9 to 3.10)
- All hearing loss cases
- Temporary or Interim Awards (see paragraphs 3.30 to 3.34)
- Cases that have been appealed
- Cases that are undergoing an exceptional review (see paragraphs 8.16 to 8.18) or final review (see paragraphs 8.21 to 8.22)
- All cases of multiple injury where zoning applies (see paragraphs 3.36 to 3.37)
- All other cases where the decision maker requires medical input to aid their decision making

2.13. Once SPVA has fully considered an AFCS claim, a decision will be made and a letter detailing the outcome sent to the individual. The letter will include the reasons for the decision and also advise the individual what to do if they are not happy with the decision.

3. The Defence Council provides the formal legal basis for the conduct of Defence through a mix of prerogative and statutory powers. It is under its authority that the three Services approve sports that Service personnel can undertake to maintain the required good standard of fitness.

4. Where an award or awards within tariff levels 1-8 is likely to be made

Independent Medical Expert Group (IMEG)

2.14. In 2010 a group of medical specialists termed the 'Independent Medical Expert Group' was established to advise on medical aspects of the Scheme. This Group comprises independent senior consultants in disciplines relevant to the Scheme and who also have an interest in disability assessment, rehabilitation and compensation. In addition, there are three lay members – one from an ex-service organisation, one from the in-Service community plus an injured serving person who has claimed under the Scheme. This Group investigates topics in relation to the AFCS which have a medical dimension and provide impartial evidence-based advice and recommendations to the MOD on these issues and publish reports. More information on the Group's work is available at www.mod.uk/afcs

Injury or illness which is made worse by service

2.15. As well as paying compensation for injuries which are caused (wholly or predominantly) by service, compensation may be payable where an individual sustains an injury through some other means, but then that injury is made worse by their service. The specific circumstances when this applies are when an injury:

- was sustained before entry into the Services, and was recorded in the individual's medical reports on entry to service;
- was sustained before entry into the Services but about which the individual was not aware, and the injury was not found at medical examination on entry; or
- arose during service but was not caused by service;

2.16. Compensation is not paid for worsening of an injury which the individual knew about but did not disclose on entry to the Armed Forces and which was not discovered in the medical examination on entry.

2.17. Compensation is not paid where a pre-existing injury is worsened within the first six months of service. This is so that an individual who has an existing injury on joining service is given a reasonable period to assess whether service is compatible with that injury.

2.18. Where an individual has an existing injury when they enter service, it is considered medically reasonable that if there is no further injury and the injury does not worsen within five years of starting service, then any subsequent worsening cannot be considered to be caused by service. As a result, compensation is only paid if the worsening of the injury results in the individual being medically downgraded for at least a period of six months within five years of entry into service. The six month rule is waived where the individual is discharged on medical grounds within that period.

2.19. For conditions which arise during service but are not caused by service, the worsening of the condition as a result of service has to be the predominant reason for medical downgrading within 5 years of the condition arising. To be eligible for an award, downgrading has to remain until service ends. Again, this is because it is medically reasonable to consider that any worsening would occur within five years.

2.20. A claim for compensation for the worsening of an injury cannot be considered until a person leaves service. This is because service termination is the time at which the injury worsening as a result of service will cease, so the extent of the service-caused worsening can only be accurately assessed at this time. When a claim is received after a person has left service and it is determined that their injury is not caused by service, whether that injury is worsened by service will automatically be considered as part of the claim assessment process.

Travel to and from work

2.21. Travel to and from work is an activity that is not unique to service therefore an injury occurring during, or as a result of, travel to and from one's home to a regular place of work is generally excluded from the AFCS. In certain specific circumstances it is recognised that a journey to or from work may put service personnel at particular risk. In these circumstances, the journey is covered by the Scheme. This does not mean that any injury sustained as part of that journey would attract AFCS compensation; the general test of whether the injury was predominantly caused by service would still apply.

2.22. The limited circumstances where the Scheme may provide compensation for incidents which occur during travel to and from work are:

- if the travel is undertaken to attend a Defence Council approved sporting activity
- travelling to or from an emergency, for example a fire fighter called out to attend a fire
- where the individual is changing from a place of work in the UK to a place of work outside the UK or during travel back again
- an act of terrorism which is directed at the individual as a result of them being a member of the Armed Forces

2.23. In this context, "home" is defined as accommodation including service accommodation in which the individual has lived, or expects to live, for three months or more. The individual may have more than one home at any one time. For example, a family home and accommodation closer to work.

2.24. In this context, the definition of "place of work" is the place of work to which an individual is assigned or temporarily attached.

2.25. Injuries due to road traffic accidents that happen on roads internal to a site of work or a Defence site (e.g. on an RAF base) are subject to the usual test of whether they were caused by service. An incident is not automatically accepted as happening as a result of service because it occurs on a road internal to a Defence site. For example, it might be that the accident was caused by a driver losing consciousness due to a medical condition or where the individual was driving in a careless or dangerous manner.

Overseas postings: The regular place of work relates to the country that the individual is stationed in. For example, a service person stationed in Germany and travelling from his home in Germany to his normal place of work in Germany would be travelling on his normal home-to-work journey therefore would not ordinarily be covered by AFCS for any injury sustained on that journey.

Incidents away from regular place of work: If an individual is on a course or other activity related to their service and is injured while travelling in their free time in the evenings or at weekends whilst there, even if they are only in that geographical area because of attending that activity, the injury is unlikely to be accepted as due to service.

Operational theatres: The above conditions do not necessarily apply in operational theatres because an operational theatre is not an individual's regular place of work. Similarly, when travelling between the UK and an operational theatre, the individual is not deemed to be travelling to or from their regular place of work. This means injuries sustained during journeys to, from and within theatre are subject to the usual test for eligibility. (see paragraphs 2.35 to 2.37)

MOD provided transport. There may be occasions when MOD provides a car, minibus or other transport for a journey, including a journey from home to work or back again. The matter of who provides the vehicle in which normal travel to and from work occurs is irrelevant for compensation purposes. The same rules apply in compensation terms, regardless of whether the vehicle is provided by MOD.

Reservists travelling to training: For compensation purposes, an individual's place of work refers to their normal military place of work, i.e. the individual's parent TA unit, not their normal civilian place of work. Injury which occurs in the course of normal travel to and from an individual's home to their parent TA unit would not therefore be covered by the AFCS. Reservists can be attached to a unit different from their parent unit. Incidents which occurred in the course of travel to that different unit would be included under the Scheme because the Reservist is travelling to a military place of work which is not their normal military place of work. Injuries arising on these journeys would then be subject to the usual test of whether they were caused by service.

Slips, trips and falls

2.26. Awards are not automatically paid under the AFCS for a slip, trip or fall which occurs while undertaking an activity linked to service, or which takes place on Defence property. Each case is considered on its individual facts.

2.27. An AFCS award is only payable if the slip, trip or fall occurs when the individual is undertaking at least one of the following as a result of their service:

- activity of a hazardous nature
- activity in a hazardous environment
- training to improve or maintain their effectiveness in the forces

2.28. If the injury is sustained in one of the above contexts then the balance of probabilities test will be applied, i.e. an assessment will be made as to whether the individual's service, on the balance of probabilities, caused the slip, trip or fall. If the slip, trip or fall did not occur in one of these contexts, then an award will not be made.

Hazardous environments

2.29. Being on board ship is considered to be a hazardous environment due to the presence of

hatchways, ladders, doors with sills for sealing etc Subject to meeting the balance of probabilities test, slips and trips which occur on board ship are more likely to be considered to be predominantly due to service relative to other circumstances. All other claims will be considered on the facts of the case.

Social events

2.30. Injuries at social events that an individual has not been expressly ordered to attend are excluded from the Scheme, even if organised by a service colleague. If it is the service person's choice to attend the social event, any injury arising as a result of attendance is not considered to be due to service.

2.31. However, if a service person is expressly mandated by a senior officer to attend a social event then it is deemed to be the same as any other service duty and would be included in the scheme. The balance of probabilities test will still apply to injuries sustained in such circumstances. It may be pertinent to note that injuries caused (or contributed to) by personal negligence may see a reduction in the amount of compensation payable (see paragraph 5.19) and injuries contributed to by the consumption of alcohol or the use of drugs will not attract compensation (see paragraph 2.34).

Sporting activities

2.32. Maintaining a good standard of fitness is an integral part of service life. The Scheme recognises this but is clear that sporting activities which lead to injury are only included where the sporting activity is approved by the Defence Council and recognised by the relevant Service. The definition of sporting activities includes an adventurous training course or an adventurous training expedition approved by the Defence Council.

2.33. Compensation is only paid for injuries which are sustained during a sporting activity where the activity was approved by an appropriate authority prior to it taking place and where the injury is predominantly caused by service. Activities include sporting activities as a player, a referee (or equivalents e.g. an umpire), an organiser or a representative of a particular sport or sporting organisation.

Other exclusions

2.34. There are a number of circumstances where it is considered compensation is not reasonably payable under the Scheme. These are essentially situations where military service could not have caused or worsened the injury.

- Personal habits or behaviours which are matters of personal choice.
 - the use or effect of tobacco;
 - the consumption of alcohol;
 - the use of drugs for non-medical reasons
 - consensual sexual activity
- Events, experiences, exposures and activities occurring before joining service. However, compensation may be paid if service is a contributory factor in the worsening of a pre-existing injury. (see paragraphs 2.15 to 2.20).

- Illnesses or conditions which are genetic, hereditary or determined in early life. This includes an illness which is caused by a single gene defect or is predominantly hereditary in origin. Examples include cystic fibrosis, sickle cell anaemia, haemophilia and personality disorder.
- Illnesses due to infections where the risk in military service is no different from that in civilian life. These include:
 - Infections that arise from within the person themselves such as appendicitis and prostatitis. These are known as *endogenous* infections
 - Infections which enter the body from outside. This includes conditions common in the community like flu or mumps. These are called *exogenous* infections. Most of these are not covered by the Scheme but where service has increased the risk of an individual becoming infected then compensation may be paid. For example, where the infection is acquired when the individual is deployed to a tropical or sub-tropical region, or where, in a temperate region⁵, there has been an outbreak of the infection in service accommodation.
- Self-inflicted injury, except where the self-inflicting of the injury is a result of a mental disorder caused by service.

Burden and standard of proof

2.35. In the AFCS the claimant must show, on the balance of probabilities, that the injury or illness was caused wholly or partly by service. This means they must show that they are suffering from a particular injury, and that it is more likely than not that that injury arose as a result of their service in the UK Armed Forces.

2.36. While the responsibility to show that the injury is caused by service rests with the individual, the process for doing so is designed to be as easy to navigate as possible. The process is not adversarial, but inquisitorial, with SPVA undertaking the vast majority of evidence gathering on the individual's behalf. The MOD, including the single Services and Defence Medical Services, has a duty to provide relevant evidence. This can include the claimant's service history, medical records and details of any incident(s), as well as evidence from the Chain of Command, medical officers and others.

2.37. Decision makers consider all the facts of the case, including evidence provided by the claimant. They use this evidence to make a judgement as to whether or not the claim meets the balance of probabilities test and, if so, the extent of the injury.

The exception to this approach is for missing or lost records

2.38. Where an official record relating to a fact which may be helpful in the assessment of an AFCS claim is missing or lost by the MOD, the claim will not automatically fail for lack of evidence. If there is other reliable evidence which shows that that particular fact should be decided in the claimant's favour, then that material fact will be decided in the claimant's favour, unless the MOD can produce reliable evidence to the contrary. In these circumstances, it is the individual who will need to produce the other evidence to support the claim. This could be documents to show they were in a particular place at a particular time carrying out a particular task, it could be their own

5. Where there is variation of temperatures but no extremes of heat or cold

consistent and credible testimony or consistent and credible corroborative testimony from family members or colleagues. The more evidence that can be provided, the better.

2.39. There is a difference between a record being lost and it being reasonable to assume that the record never existed. If the record is lost, it would be reasonable to assume that there would be a visible gap in the records of the service person's unit at that time. By contrast, if there are lots of medical or other reports for that unit and period, and if other medical, service and incident records for that person are otherwise complete, SPVA may be justified in saying that the record did not exist in the first place.

2.40. As the Scheme was introduced in 2005 and, in most cases, has a seven year time limit to make a claim (see paragraphs 5.14 to 5.12), there is a discrete time from which records are required. Even if there was a good reason for that record not being created there should be no reason for there to be a total absence of all contemporary records and accounts which support the claimant. An absence of this scale would point to a lack of records rather than a record having been lost or destroyed. If SPVA is satisfied on the balance of probabilities that the record never existed, as opposed to was lost or destroyed, the exception does not apply.

2.41. The types of record which this provision relates to includes any documentation completed during normal reporting procedures which confirms that the incident took place or medical treatment was administered, including records held electronically. These can include details from Incident Notification Cells, road traffic accident reports, hospital case notes, data obtained from the Defence Medical Information Capability Programme and GP notes.

2.42. Service personnel have an obligation to report incidents. All three Services have accident notification cells and reporting chains. If a report of the incident was not created at the time, the service person could reasonably be asked if he or she has a credible reason for not filing a report. If no such reason is forthcoming, then it may be assumed that the incident did not necessarily take place as claimed.

2.43. Where there is reliable evidence that an incident occurred in the circumstances described by the claimant, this does not necessarily mean that any injury arising from that incident is deemed to be caused by service. The material fact to which the missing record relates will be decided in the claimant's favour, not necessarily the whole claim. For example, if the claimant states that he broke his leg at an approved sports event and there is other evidence that the injury occurred but the Army file relating to the incident has been lost, MOD will presume that the individual claimant did in fact break his leg. If, for example, other evidence demonstrates that although the individual was at the event he was not participating in a sports activity but was there in a capacity unrelated to their own service, as a spectator, he will not receive compensation.

Illness caused by service

2.44. Claims for illnesses are treated in exactly the same way as claims for injuries. The Services and all Defence organisations, including Defence Medical Services, provide the supporting information to enable SPVA to make evidence based decisions. Decision makers take account of contemporary medical advice and each case is decided on its merits.

Chapter 3 – Compensation for Injury

Awards

3.1. Every AFCS award includes the payment of a lump sum for the pain and suffering caused by the injury.

3.2. For more serious injuries, where the individual's ability to earn income beyond their service career is detrimentally affected by their injury, an income stream is paid in addition to the lump sum. This is known as the *Guaranteed Income Payment (GIP)*. It is paid for life as an enhancement to the individual's pension, is index-linked and tax-free.

3.3. The Scheme is designed so awards take into account the expected effects of the injury and treatment over the person's lifetime. This means that once an award is made, it cannot be amended or removed except in limited circumstances – it is *full and final*. This is to enable individuals to move forward with their lives following injury with financial security and to encourage individuals to take up future employment and activities of life according to their ability, without fear that doing so could reduce or remove their income or assets.

3.4. The AFCS uses a tariff system with 15 levels which reflect the severity of the injury, tariff level 1 being associated with the most serious injuries and 15 with the least serious. This comprehensive graduated tariff is designed to deliver consistent awards for similar injuries. The tariff is designed to deliver equity both within and across injury types, in line with the Scheme's key principle of fairness. For example, a minor injury to a finger or hand should receive a lesser amount of compensation than a more serious injury to the finger or hand. Similarly, a minor injury to the foot should attract lesser compensation than a serious burn to the face.

3.5. In the majority of cases, an award under the Scheme is payable when the injury sustained is described by what is known as *descriptors*. These are descriptions of different types of injury, listed in a series of tables known as the *tariff*. A descriptor encompasses the expected effects of the injury on the individual. Each descriptor has a corresponding level from 1 to 15; this is known as the *tariff level* for the injury.

3.6. In some cases, the injuries sustained as a result of service could be described by one or more descriptors and in others, more than one descriptor is needed to fully describe an injury. Where this occurs, the SPVA will identify the most appropriate descriptor or combination of descriptors for the injury or injuries. There are also provisions to pay compensation where an individual sustains an injury which is caused by service and an award is considered appropriate but there is no appropriate descriptor or combination of descriptors on the existing tariff (see paragraphs 3.30 to 3.33).

Those most seriously injured

3.7. The Scheme's underlying principle is to pay the highest awards to those most seriously injured. There comes a point, in cases where the most profound injuries are sustained, where distinctions cannot be drawn between one individual's injuries and another's. It would breach the Scheme's principle of delivering equity if a number of lesser injuries provided a greater award than a smaller number of more serious injuries which had, overall, a greater impact on the individual. For these reasons, the lump sum payable to individuals with the most profound injuries, sustained in a single incident, is a tariff level 1 award (currently £570,000). Individuals with this level of award will also receive the maximum level of income stream, the value of which can be £1m or more over a lifetime, leading to an overall compensation package with a value of over £1.5m. There is no limit to the amount of compensation that can be paid from the Scheme to any individual in terms of lump sum plus income stream.

Lump sums

3.8. As explained above, all AFCS awards include a lump sum paid for pain and suffering associated with the injury. The lump sum is paid as soon as possible, and can be paid while the individual is in service. A lump sum can also be paid after service if the individual makes their claim shortly before leaving service or after they have left the Armed Forces.

Supplementary awards

3.9. There may be cases where the injury or effect of the injury, while not necessarily having an impact on future employability, can have a substantial effect on some aspect of the person's function or their self image, confidence and self worth. To recognise these circumstances, an additional payment, known as a *Supplementary Award*, is made. Supplementary awards are paid in addition to the lump sum and are paid at the same time as the lump sum. For example, where injury to genitalia results in infertility, that infertility does not impact on the individual's future ability to earn; however, given the potentially significant impact on lifestyle, this effect of the injury will attract a supplementary award.

3.10. For the reasons explained above, the total amount paid as a lump sum including any supplementary award(s) payable is a tariff level 1 award, which is currently £570,000. This recognises that, in cases where individuals sustain the most profound injuries, one cannot differentiate between one individual's injuries and another's and the same amount should be paid to both.

Guaranteed Income Payment

3.11. Where an individual has a lasting injury received as a result of service which has an ongoing impact on the amount they are able to earn over their lifetime in terms of both salary and pension, financial security is provided through a lifelong, tax-free, inflation-proof income known as a *Guaranteed Income Payment* (GIP). As this is an income replacement stream, the GIP is calculated and put into payment when the individual leaves service, as they continue to receive their military salary until this date. The GIP is therefore based on the individual's age and salary at the time they leave service. The calculation of GIP uses this data, along with a series of assumptions, to determine the lifelong loss of earnings the individual is likely to face in terms of both salary and pension as a result of their service-caused injury or injuries. The GIP only comes into payment at the point at

which service salary stops being paid, and therefore compensates for loss of earnings the individual would have had as a result of post-service civilian employment. The GIP calculation includes an enhancement for lost future promotions as a result of injury. As the GIP calculation takes account of both pension and salary lost as a result of injury, the level of GIP is adjusted to take account of any Armed Forces pension which is paid (more detail at paragraphs 3.19 to 3.21).

3.12. Key points about the GIP are:

- The GIP is a minimum income guarantee recognising the long term impact of injury on the individual's earning capacity.
- The GIP is tax-free, index-linked and paid for life.
- The GIP can be the most financially beneficial part of the compensation package. A level 1 lump sum of £570,000 along with a GIP which is paid for life can bring the total value of an AFCS award to £1.5m.

Amount of GIP

3.13. The level of GIP awarded reflects the overall impact of the injury on the individual's future ability to earn. Where the injury or injuries are so serious that it is unlikely the individual will be able to earn again in any form, all of their future income is replaced. For less serious injuries, a proportion of the individual's future earnings are replaced in recognition of the fact the individual is still able to earn income, though not to the same level had they not been injured. Where one injury is sustained in one incident the relevant amount of the GIP payable is as follows:

- Band A – tariff levels 1-4. 100% of the individual's future earnings (pensions and salary) are replaced. It is considered individuals with these tariff level awards are so seriously injured that they will be unable to work again, therefore all future salary and pension income is replaced.
- Band B – tariff levels 5-6. 75% of the individual's future earnings (pensions and salary) are replaced. It is considered individuals with these tariff level awards will be able to work but at a significantly reduced earnings capacity, therefore 75% of future salary and pension income is provided.
- Band C – tariff levels 7-8. 50% of the individual's future earnings (pensions and salary) are replaced. It is considered individuals with these tariff level awards will be able to work but that their earning capacity will be reduced by around half, so 50% of their future salary and pension income is provided.
- Band D – tariff levels 9-11. 30% of the individual's future earnings (pensions and salary) are replaced. It is considered individuals with these tariff level awards will be able to work but will experience a lower level of earnings due to their injury, so 30% of their future salary and pension income is provided.
- Tariff levels 12-15. No GIP is payable as it is considered that the individual's future civilian earnings capacity will be unaffected by their injury as the injury does not have any significant permanent effects.

3.14. Only one GIP is paid regardless of the number of injuries sustained. If an individual sustains more than one injury in separate incidents, the GIP which corresponds to the highest tariff level(s) awarded is payable.

3.15. The GIP band is determined by the most serious individual injury. Where more than one injury is sustained in one incident and the two most serious injuries fall into the same GIP band, the individual's GIP moves up to the band immediately above the band in which the injuries fall. For example, if an individual sustains two injuries, both at tariff level 7, this will result in a 75% GIP being payable whereas a single tariff level 7 award attracts a 50% GIP.

Annual uprating

3.16. All income streams will increase annually in line with inflation, the Consumer Price Index (CPI)⁶. This up-rating will automatically happen each year and individuals will be informed in writing of the new level of their payment.

Salary increases and GIP – including Acting Rank

3.17. Where an individual has a different salary on the date on which they are injured from the date on which they leave service, the higher of the two is used to calculate any GIP that is payable in relation to that injury.

3.18. Where the claim is made after service ends, the salary used to calculate any GIP payable is salary on the day service ended up-rated by the CPI to the date of claim (or date of death in bereavement cases). This is to take account of the effects of inflation in the intervening period between leaving service and making a claim.

Adjustment of GIP in light of Armed Forces Pension Payments

3.19. The GIP reflects the lost earnings for the individual in terms of both salary and pension; therefore it is adjusted to take account of payments received from:

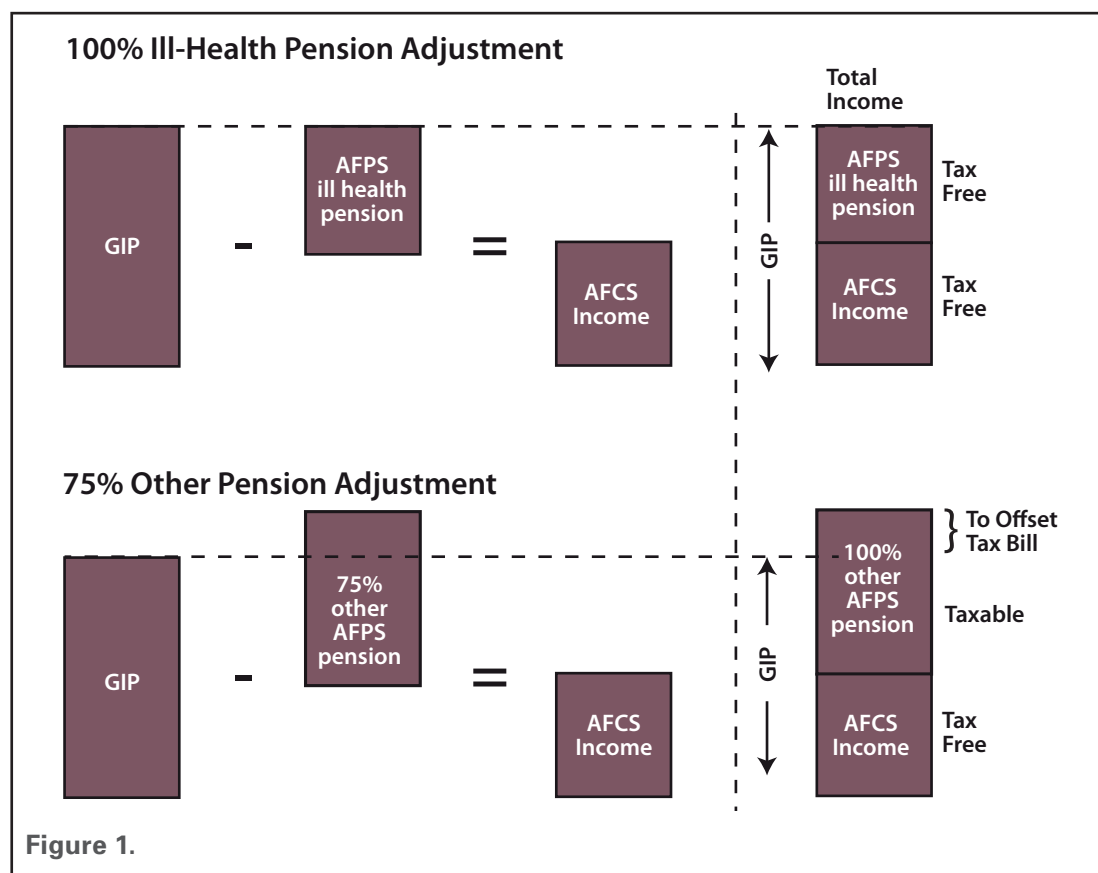
- The Armed Forces Pensions Schemes (AFPS) 1975 and 2005
- The Gurkha Pension Scheme or
- The Armed Forces Early Departure Payment Scheme

3.20. For information on the adjustment of GIP for payments received from the Reserve Forces Pension, see Chapter 7.

3.21. Where an individual receives an ill-health pension for the same injury for which their GIP is paid, all of that pension is taken into account in the payment of GIP. If an individual receives a pension which is not related to the injury for which the GIP is paid, 75 % of the amount of pension paid is taken into account in the GIP. The rationale for the different levels of deductions when calculating the GIP recognises the different tax status of these awards. AFPS ill-health pensions are tax-free, other AFPS payments are taxable. The 75% deduction for taxable awards means the GIP

6. Measure of inflation used by the Bank of England for increasing public sector schemes and benefits

is enhanced by 25% of the taxable income. See Annex A for examples and Figure 1 for a graphical representation. For information on Reserves see Chapter 7.



Injury to paired body structures

3.22. The AFCS recognises through the tariff framework that loss of two parts of a paired body structure has greater impact on the injured individual than double the loss of a single part of that paired structure. For example, loss of both hands has more than double the impact on a person's function than loss of a single hand. Therefore, where one foot is lost a lump sum of £60,000 is paid along with a 50% GIP; while where both feet are lost a lump sum of £175,000 is paid along with a 75% GIP.

The paired structures to which these rules apply are:

- arms or parts of an arm;
- feet;
- hands;
- kidneys;
- legs or parts of a leg;
- total loss of sight in both eyes;
- total loss of hearing in both ears

3.23. If a case arises where somebody sustains two separate injuries from two separate incidents which result in the loss of (or loss of use of) two elements of a paired body structure, the following rules apply. These have been designed to ensure the greater impact on the individual's functionality as a result of the double loss is appropriately recognised by the Scheme.

Where the first of the paired structures has been affected by a service-caused injury and an AFCS award has been paid for that injury:

- Any subsequent service-caused injury to the second of the paired structures will attract the lump sum that would have been paid for loss of both of the structures, adjusted for any lump sum already paid for loss of the first structure.
- Any GIP awarded for the first injury will cease and be replaced by the recalculated GIP which takes account of the tariff level for loss of both structures.

3.24. For example, a service person loses the sight in one eye in an incident caused by service. The individual remains in service and receives a tariff level 8 AFCS award. A lump sum of £60,000 is paid immediately, with a Band C (50%) GIP coming into payment on leaving service. The individual remains in service and two years later is involved in a further service-related incident causing loss of sight in the other eye. The individual is medically discharged from service. Loss of sight in both eyes is a tariff level 2 injury, so the overall lump sum payable for both injuries is £470,000. Taking account of the previous payment of £60,000, the balance of £410,000 is paid.

3.25. The tariff level 2 injury means the individual will receive a Band A GIP, i.e. 100% of the maximum available GIP (as opposed to 50%). This means all future lost income is replaced, rather than a 50% .

Where the injury to the second of the paired body structures is not caused by service:

3.26. There may be an instance where an injury sustained as a result of service results in the loss of (or loss of use of), one of a paired body structure. Then, at a later date, another incident occurs which results in an injury which is not caused by service that results in the loss of (or loss of use of) the second of the paired structures.

3.27. In cases of two separate injuries which result in loss of (or loss of use of) both parts of a paired structure, where the first is due to service and the other , sustained later, is not caused by service and is an acute loss (or loss of use) due to trauma or infection involving:

- arms;
- hands;
- total loss of sight in both eyes;
- total loss of hearing in both ears

the amount payable, in terms of both lump sum and GIP, is the amount payable for the loss of both structures (i.e. the same rules apply as if both losses were due to service).

3.28. The Scheme recognises that loss of or loss of function of, upper limbs is more disabling than the loss of or loss of function of lower limbs. This is in line with the IMEG report published in February 2011 (see paragraph 2.14) and also takes account of the less advanced prosthesis for upper limbs compared with lower limbs. This is the reason for the list in relation to non-service caused second injury being different to the list where both losses occur as a result of service.

3.29. In cases where the same body structures are involved (ie arms, hands, total loss of sight in both eyes and total loss of hearing in both ears), but loss of (or loss of use of) the second structure develops more gradually, for example due to ageing or degenerative disease, and for all other combinations (e.g. feet, kidneys, or leg) the individual has more opportunity to adapt to the loss (or loss of use) of the second structure. As a result, the additional payment will be half the lump sum due for the difference between the single and double injuries. The GIP would also increase by one band except where the individual is already in receipt of a 100% GIP.

Temporary awards

3.30. If an injury is sustained due to service for which there is no appropriate descriptor on the tariff, yet it is felt by the decision maker that the injury is sufficiently serious to warrant compensation, a *Temporary Award* may be made in relation to the injury. A temporary award can be made where the injury is listed in the International Statistical Classification of Diseases and Related Health Problems or in the Diagnostic and Statistical Manual of Mental Disorders.

3.31. Where this situation arises, the decision maker will consult with medical and policy colleagues and if it is decided payment of a temporary award is suitable, a lump sum relating to the level of the tariff which is considered appropriate for the injury will be paid, along with any associated GIP if appropriate.

3.32. Within a year of the temporary award being made, the tariff will be amended to incorporate a descriptor that is appropriate for the injury. If the final tariff decided for the injury attracts a greater level of compensation than originally awarded, the balance will be paid. If the temporary award was such that a greater amount of compensation was originally paid than the final descriptor warrants, no recovery of the overpayment will be made.

3.33. The individual will be notified in writing when the temporary award is made and also once it is incorporated into the tariff. Once the award is finalised, if the individual is not satisfied with the amount of compensation they have received for their injury, they are able to seek an internal SPVA reconsideration, or can appeal to an independent tribunal (see Chapter 8).

Interim Awards

3.34. In cases where an injury is caused by service but its ongoing effects are uncertain an *Interim Award* may be made. This is where compensation is paid at what appears to be the likely level of the final award but the individual's prognosis is not sufficiently clear to come to a final decision on the most appropriate level of compensation. This situation may arise where individuals are seriously injured or, in cases of multiple injuries, where some injuries are settled but others not. A first interim award will be made for a maximum period of 2 years. After this period has ended, the claim will be re-visited and, where possible, finalised. If, considering all the facts of the case, it is considered appropriate to extend the interim award for a further period of up to 2 years duration, then this is also possible, though it is expected this will only happen very rarely. An interim award can only be extended once. Once the award is finalised, if the individual is not happy with the amount of compensation they have received, they can seek an internal reconsideration or appeal to an independent tribunal (see Chapter 8).

Where one incident leads to multiple injuries

3.35. Where a single incident leads to an individual sustaining more than one injury due to service, the calculation of the lump sum is carried out in accordance with a specific set of rules which are described below. These rules are designed to ensure equity in line with the scheme's overriding principles. Specifically, the rules are structured to ensure that:

- those most seriously injured receive the highest awards
- those with a large number of minor injuries receive less than those with a lesser number of more serious injuries
- each injury sustained receives some compensation

Body zoning approach

3.36. In some cases, the AFCS takes account of the overall impact of all the injuries sustained by considering the impact of injury in relation to the five 'body zones'

These are:

A: the head and neck

B: the torso

C: the upper and lower limbs

D: the senses

E: mental health

3.37. The more body zones affected by injury the greater the overall impact on the individual. This may result in two individuals with similar injuries receiving different levels of compensation depending on the number of body zones affected.

Case types

3.38. There are three types of multiple injury case. Before it can be determined which category a case falls into, each injury is assigned an appropriate descriptor or a range of descriptors, where appropriate, these can then be assigned to each of the five body zones. This enables cases to be split into the three categories:

- I. Those where the individual receives a Band A GIP (i.e. 100% of the maximum available GIP)
- II. Those where at least two body zones have one or more injuries at tariff levels 1 – 11
- III. All other cases (i.e. those which do not fall into categories I or II)

Multiple injury rules

3.39. Depending on which of these three categories a case falls into different rules apply. These are described below:

I. Cases where 100% GIP is payable

3.40. In these cases, the full lump sum will be paid for each injury, along with any supplementary award(s) which may be payable. This recognises that the most seriously injured who are considered to be unlikely to be able to work as a result of their injury, receive the highest levels of compensation. The amount of lump sum payable will not be in excess of the single tariff level 1 lump sum value (currently £570,000).

3.41. The Scheme's underlying principle is to pay the highest awards to those most seriously injured. There comes a point, in cases where the most profound injuries are sustained, where distinctions cannot be drawn between one individual's injuries and another's. It would breach the Scheme's principle of delivering equity if a number of lesser injuries provided a greater award than a smaller number of more serious injuries which had, overall, a greater impact on the individual. For these reasons, the lump sum payable to individuals with the most profound injuries, sustained in a single incident, is a tariff level 1 award (currently £570,000). Individuals with this level of award will also receive the maximum level of income stream, the value of which can be £1m or more over a lifetime, leading to an overall compensation package with a value of over £1.5m. There is no limit to the amount of compensation that can be paid from the Scheme to any individual in terms of lump sum plus income stream.

II. Cases where at least two body zones have one or more injuries at tariff levels 1 – 11 and a Band A 100% GIP is not payable

3.42. In these cases, body zoning applies.

3.43. The process for determining the relevant lump sum payable for these cases is as follows:

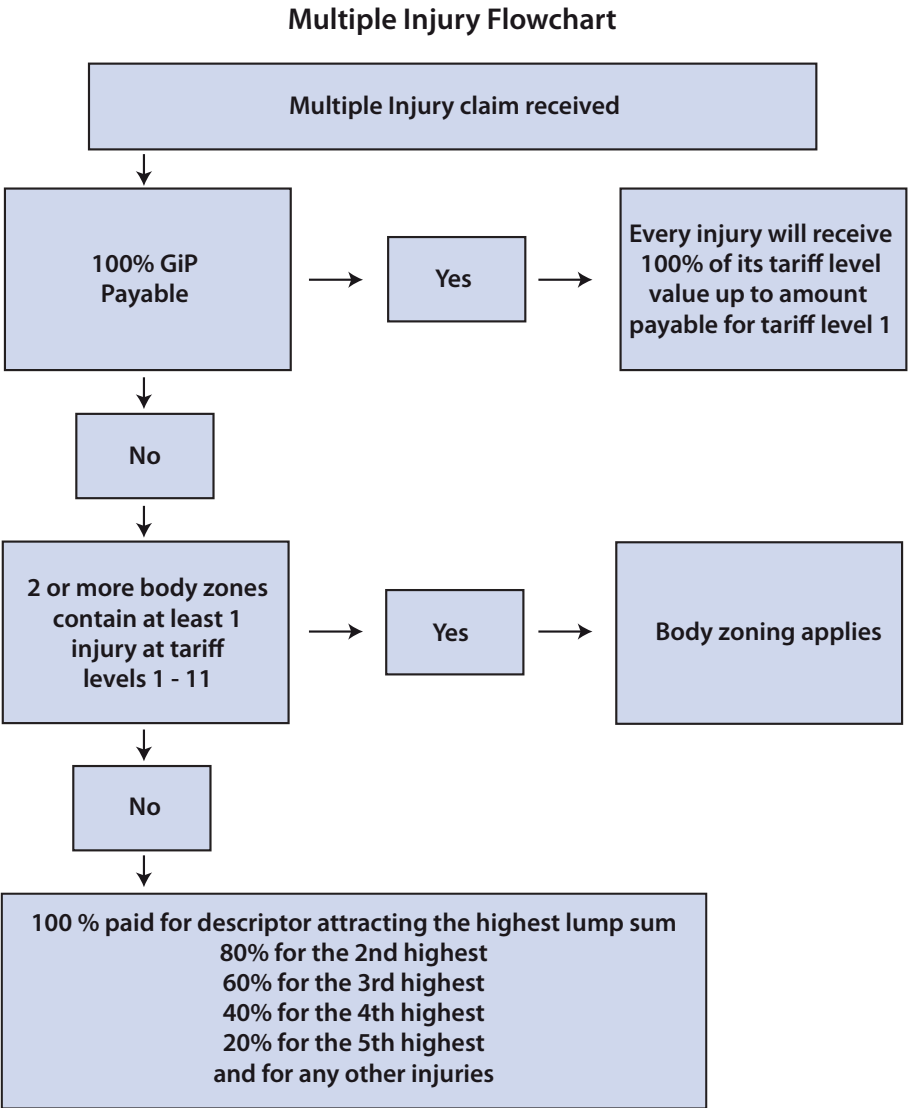
- A descriptor (or, where appropriate, combination of descriptors) is allocated to each injury
- Each descriptor is allocated to a body zone
- For each body zone, the total value of the lump sums (including any supplementary awards that may be payable) associated with all injuries are added together
- The body zones are then ranked in order of monetary value. If two body zones attract the same amount of compensation, one is treated as the higher and the other the lower
- 100% of the total value of the lump sums for the body zone attracting the greatest level of compensation is paid. 80% of the total value of the lump sums for the body zone attracting the second most amount of compensation is paid, 60% for the third, 40% for the fourth, and 20% for the fifth
- The lump sum payable (including any supplementary awards) does not exceed a level 1 lump sum (currently £570,000)

3.44. This approach ensures an individual who has a single body zone affected by injury does not receive more compensation than an individual who has similar levels of injury but only one affected body zone.

3.45. The amount of GIP paid in all cases is as per the GIP rules see paragraphs 3.11 to 3.21. The multiple injury rules are only used to determine the amount of lump sum payable.

III. All other cases

3.46. For all other cases, each injury is ranked in order of lump sum payable (including any supplementary award). Where two injuries attract the same amount of lump sum, one is treated as the higher and the other the lower. 100% of the lump sum is paid for the injury attracting the greatest level of compensation, 80% of the lump sum is paid for the injury attracting the second highest amount of compensation, 60% for the third, 40% for the fourth, 20% for the fifth and all subsequent injuries. Again, the total lump sum payable should not exceed a tariff level 1 lump sum.



Fast payment

3.47. Fast payments provide the most seriously injured personnel with the option to claim an upfront AFCS payment without the need to go through the complete AFCS claim process. This payment is intended to provide these injured personnel the opportunity to receive some financial reassurance and support as quickly as possible after injury.

Eligibility

3.48. Two criteria must be met for an individual to receive a fast payment. These are:

- the injury occurred in service and it is clear (beyond doubt) that it was caused by service; and
- the injury sustained clearly warrants (beyond doubt) a descriptor within tariff levels 1 – 8

Claim process

3.49. This award is designed to be ‘fast’ therefore a separate claim for a fast payment must be submitted to SPVA within 6 months from the date of incident or event that caused the injury. The form can be accessed online from www.mod.uk/afcs. This form has been kept deliberately short and requires only the key facts of the incident to enable prompt consideration by SPVA. SPVA will conduct appropriate checks to confirm whether the eligibility criteria are met. If it is not clear that both the eligibility criteria are met, then the fast payment will not be made. However, the individual can still put in a full AFCS claim in the normal way and has seven years to do so from date of injury.

Level of award

3.50. The amount of the fast payment is equivalent to a tariff level 8 lump sum (currently £60,000). As the eligibility criteria for a fast payment is that at least one injury is at tariff levels 1 – 8, this is the minimum lump sum an individual will receive. It is considered an appropriate amount to pay in these circumstances and is a substantial payment providing reassurance whilst ensuring no overpayments occur. At the point of determination of the full AFCS claim, where all injuries arising from the incident are considered, the final award will be adjusted to take account of any fast payment made.

3.51. The decision to make a fast payment is discretionary therefore an individual cannot request SPVA to reconsider its decision and the decision cannot be appealed to a tribunal. However, once a full claim is made and a decision on it issued, the individual can ask for a reconsideration or apply to an independent tribunal if they do not agree with the decision. (see Chapter 8) .

Overseas Medical Expenses

3.52. Any UK based member or former member of the Armed Forces (regardless of nationality) who has been injured as a result of their service is eligible for priority treatment from the NHS for their service-caused injury. In addition, all non-UK national personnel who have been seriously injured due to service are eligible to stay in the UK, at the discretion of the UK Border Agency.

3.53. In line with the Scheme’s underlying principle of fairness, AFCS may, in certain circumstances, pay the necessary medical expenses of seriously injured personnel who live overseas after their discharge from the Services. This is to ensure that an individual is able to move to a place of family or other connection without being constrained by their service-caused injuries.

Eligibility

3.54. The Scheme will only pay for overseas medical expenses if an individual:

- receives at least one AFCS award for an injury in tariff levels 1-8,
- becomes ordinarily resident outside the UK within one year of service termination; and
- is ordinarily resident outside the UK when the expenses are incurred.

3.55. The individual must move overseas within a year of discharge. This allows individuals an appropriate amount of time to make necessary arrangements to move abroad after leaving service. It also means those individuals who may simply wish to emigrate later in life are not brought within the scope of the Scheme.

Definition of residency

3.56. An individual will be considered to be 'ordinarily resident' in a country where they live permanently, spending at least 10 months of the year there.

3.57. In some cases, an individual may have to leave their normal residence for extended periods of time which would, normally, disqualify them from payment under the Scheme. In such instances, the individual's circumstances will be considered on a case-by-case basis to assess whether their reasons for leaving their normal country of residence are reasonable and therefore may not prevent their medical expenses being provided under the Scheme.

Intended country of residence

3.58. The SPVA will need to consider whether an individual's intended country of residence will be able to meet their specific care needs. Applications will need to be judged on a case-by-case basis. In so doing, the SPVA and the MOD policy team will jointly consider the application, with medical advice as appropriate. The SPVA may refuse an application if it is considered that a person's needs are unlikely to be met in the intended country of residence.

3.59. In some cases an individual's ongoing medical care needs will be able to be met in their intended country of residence but some interventions, such as a change of prosthesis or a one-time surgery, may not. In such instances, costs associated with care in their intended country of residence may be met and it may, in addition, be possible for the Scheme to provide payment for the individual to travel to another location to meet treatment needs.

Expenses that may be covered

3.60. The Scheme may pay for necessary medical expenses where they are associated with the injury for which an AFCS award has been made, and the treatment for which expenses are incurred is comparable with what an individual would receive under best-practice UK treatment.

3.61. The clinician in charge of the case should be an appropriately qualified medical practitioner whose credentials are disclosed to SPVA. Only treatment commissioned by this clinician will be covered by the Scheme.

3.62. In order to assess the claim, SPVA will gather all relevant evidence, including, where applicable: an individual's AFCS claim form, medical discharge papers and the Continuing Healthcare Checklist (CHC). A CHC is an assessment of an individual's health care and other support needs, undertaken three months before some seriously injured individuals are medically discharged from the Services.

3.63. While the Scheme may meet health care costs (for example, costs associated with medical, surgical or rehabilitative treatment, professional nursing care and appropriate medical aids and appliances), social care costs e.g. residential care and community based services e.g. home help cannot be met by the Scheme.

3.64. Where a claim has been approved, SPVA will define the expenses that will be covered by the Scheme. The list of expenses will be reviewed at a defined date which is considered medically appropriate (see paragraphs 3.67 to 3.68), until which point the list will not be changed unless the individual's condition changes unexpectedly and dramatically. Items included on the list will define courses of treatment, for example 'six sessions of physiotherapy'. Individuals will receive a copy of the list when their application is accepted and, at that time, SPVA will also inform individuals when it will be reviewed.

Payment

3.65. The scheme will pay for treatment where:

- it is not already provided free of charge in the individual's country of residence; and
- approval is sought from the SPVA before an expense is incurred, unless there is an exceptional circumstance which means it was not possible to inform SPVA; e.g. emergency admission to hospital for the service related injury. In such cases the SPVA should be informed as soon as possible. In all cases, invoices and receipts will be required to support reimbursement

3.66. SPVA, or agents acting on their behalf, will normally pay expenses directly to the medical provider although, in exceptional circumstances, individuals may be reimbursed if it is not possible for MOD to pay the medical provider directly.

Reviewing the application

3.67. It is important that an individual's needs are reviewed as they develop. SPVA will set the review date when an individual's care list is created and at the end of each review. The review date will be dependent on the individual's injury and circumstance and will be re-set each time a list is created/updated. At a minimum, an individual's healthcare needs will be reviewed every 24 months.

3.68. During a case review it is important that appropriate evidence is collected. SPVA will also review the expense requests made by an individual since their care requirement was last agreed when the review is conducted, and will liaise with MOD policy team before issuing the outcome of a review.

Discretionary principle

3.69. Decisions to pay overseas medical expenses are discretionary. It is up to the SPVA decision makers to decide, having considered all the facts, whether the case falls for payment under the Scheme.

3.70. If a claimant is not happy with the decision, they may ask SPVA to reconsider their application. As the decision is discretionary, they are not able to appeal a decision in relation to overseas medical expenses to an independent tribunal.

Chapter 4 – Compensation for Bereavement

Overview

4.1. Where the death of an individual was caused by service in the UK Armed Forces, the AFCS pays compensation to the individual's dependants.

4.2. AFCS payments can be made to an *eligible partner* in recognition of the financial loss suffered as a result of the bereavement.

4.3. An eligible partner is a person who was married to the deceased or was their civil partner, and the marriage or civil partnership was in place for at least six months before the bereavement. If there is no spouse or civil partner, a person who fulfils the following criteria may be considered the eligible partner:

- they lived with the deceased as partners in a substantial and exclusive relationship;
- they were not prevented from marrying or forming a civil partnership; and
- they were financially dependent on the deceased or they were financially interdependent

4.4. In the event of a death caused by service where there is no spouse or civil partner, it will be important to establish whether a relationship meets the above criteria to determine whether compensation is due to be paid. In order to determine whether a person may be entitled to compensation, a range of evidence will be considered to establish whether the relationship was substantial and exclusive, and whether there was financial dependence or inter-dependence. This may include (but is not limited to):

- joint rental accommodation, lease or property ownership;
- joint bank account, savings plan or investment;
- joint borrowing arrangements, including mortgages, loans or credit cards;
- shared responsibilities for children
- evidence showing the length of relationship
- evidence of a will or insurance policy in which the deceased nominates the partner as principal beneficiary or co-beneficiary

4.5. A relationship is not an exclusive relationship if:

- one or both of the parties to the relationship is married to, or is the civil partner of, someone other than the other party in the relationship; or
- one or both of the parties is a party to another relationship which could be considered to be a substantial and exclusive relationship in light of the above criteria

4.6. Payments may also be made to *eligible children*. An eligible child is a birth child, an adopted child or other child who was financially dependent on the deceased. A child is defined for these purposes as someone who is under 18 years of age or, if in full-time education or vocational training, someone aged under 23. This includes a child born to the individual's partner within 12 months of the bereavement. The age criteria does not apply if the child is unable to support themselves because they are suffering physical or mental disability.

4.7. Compensation is paid to an eligible partner and/or child when death is caused by service and:

I. The death occurred in service;

or

II. The death occurred within 7 years from when service ends and was caused by:

- an injury which was caused by service, or
- the worsening by service of an injury which existed before or arose during service and which was not caused by service;

or

III. The death occurred more than 7 years after service ends and:

- the death is caused by a late onset illness which was caused by service; or
- the predominant cause of the death is an injury for which an AFCS award has been made where the lump sum fell within levels 1 to 9⁷ of the tariff

4.8. Where death is not wholly caused by service, compensation is only payable if service is the predominant cause of the death, on the balance of probabilities.

Types of bereavement compensation

- An ongoing income stream paid for life to an eligible partner known as a *Survivors Guaranteed Income Payment* (SGIP)
- An income stream for eligible child(ren) known as a *Child Payment* (CP)
- A one-off grant of up to £37,500 paid to an eligible partner or eligible child(ren) known as a *Bereavement Grant* (BG)

Survivors' Guaranteed Income Payment (SGIP)

4.9. The SGIP is an income stream paid monthly to an eligible partner to provide financial support to recognise the loss of the deceased partner's earnings. The amount paid is increased in line with inflation each year and is paid for life. The SGIP is an enhancement to any service pension payable to the partner in relation to the deceased.

7. Tariff level 9 refers to the lowest tariff level of injury descriptor which has a 'permanent' effect

Child Payment (CP)

4.10. Child Payment is an income stream paid monthly to eligible child(ren) in order to provide financial support following the loss of their parent, guardian or person on whom they were financially dependant. Payments stop at the point at which it would be reasonable to consider the child would cease to be financially dependant on their parents. (see paragraphs 4.20 to 4.26 for information on when CP ends).

Claims and Dates for Payment

4.11. Where the death occurs when an individual is in service, the SPVA will automatically consider whether the death was due to service and therefore whether bereavement compensation is payable. In these cases, any SGIP and CP is paid from the date that the individual's salary stops being paid, i.e. it is paid from the date after death.

4.12. A claim is required however, where there is an eligible child but either:

- no surviving spouse, civil partner or surviving adult dependant, or
- the child is not living with the surviving spouse, civil partner or surviving adult dependant.

4.13. Where the death occurs after the individual has left service, dependants will need to make a claim for bereavement compensation. A claim form must be completed for SPVA to consider whether compensation is payable to the child. The reason for this difference is that MOD may not be aware of the child and so must be informed that consideration of the child's entitlement is required. Support through this process can be obtained from the Veterans Welfare Service, the Chain of Command and a number of voluntary organisations. In these cases, the AFCS payment will begin from the date of claim, except where the claim is made within three months of the date of death, in which case payment will be backdated to the day after date of death.

SGIP calculation

4.14. The SGIP is calculated by multiplying the deceased's salary by a factor based on their age. This stage of the SGIP calculation is similar to that for a GIP. This amount is then multiplied by a factor of 0.6 to give the annual amount to be paid to the eligible partner. The salary used to calculate the SGIP is the salary of the deceased on the day service ends. If death occurs after service, this figure is uprated by CPI to the date of claim in order to take account of the effects of inflation in the period between leaving service and making a claim.

4.15. The SGIP calculation works out the total lost earnings for the individual in terms of both future salary and pension (in the same way that the GIP calculation does) and then allocates proportion of this to the eligible partner. SGIP is therefore also adjusted for the amount of any Armed Forces pension being paid. 75% of any amount paid to the partner in relation to the deceased's Armed or Reserve Forces Pension Scheme will be taken into account when the SGIP is calculated; this contrasts with 100% of any ill health payment being taken into account in the calculation of a GIP for an injured individual. Ill health and attributable pensions are treated

differently for tax purposes and this approach ensures dependants receive broadly the same financial effect in all circumstances. The examples below help illustrate this point:

- Example 1: An individual's GIP is £10,000 per year and they have an ill-health pension of £4,000 per year. The individual is paid £10,000 per year in total tax free – £4,000 of which is from their pension and £6,000 from the AFCS (£10,000 less 100% of £4,000), totalling the full guaranteed income of £10,000 per year tax-free.
- Example 2: An individual's SGIP is £10,000 per year and they receive a pension in relation to their bereavement of £4,000. The individual receives £4,000 per year from the pension scheme and £7,000 from the AFCS (£10,000 less 75% of £4,000) to give an overall income per year of £11,000. The total amount paid is greater than in example 1 as the income is taxable, so the extra £1,000 per year is paid to help offset the tax charge the individual will incur.

CP calculation

4.16. The underlying CP calculation is also the same as that of the GIP calculation, with the deceased's salary being multiplied by a factor based on their age. A further factor is then applied depending on the number of eligible children and whether there is an eligible partner. The salary used to calculate the CP is the salary of the deceased on the day of death. Where death occurs after service ends, this is uprated by CPI to the date of claim in order to take account of the effects of inflation in the period between leaving service and making a claim.

4.17. Where there is an eligible partner:

- and there are up to three eligible children, 15% of the maximum calculated GIP is payable as a CP for each of the first two children, and 10% of the GIP for the third child;
- and there are four or more eligible children, 40% of the maximum calculated GIP is divided equally between the children.

4.18. Where there is no eligible partner:

- and there are up to four eligible children, 25% of the maximum calculated GIP is paid to each child;
- and there are more than four eligible children, the maximum calculated GIP is divided equally between each of the children.

4.19. Similarly to the SGIP, the CP calculation works out the total earnings lost as a result of the bereavement, in terms of both future salary and pension, before allocating a proportion of these earnings to each child. The amount of CP paid is therefore adjusted for the amount of pension also being paid to the child as a result of the bereavement. 75% of any amount paid to the child in relation to the deceased's service pension will be taken into account in the payment of CP, in the same way as for SGIP payments. This provides an enhancement to the income stream to reflect the fact that CPs are taxable (see above examples).

Cessation of CP

4.20. A child who receives CP and is under the age of 19 when they stop full time education will continue to be paid CP until whichever of the following occurs first:

- the second Monday in January
- the second Monday after Easter Monday
- the second Monday in September
- the child's 19th birthday
- the day the child commences full time paid employment

4.21. Where a child who is in receipt of CP and is under the age of 23 takes a break from full time education or vocational education of up to one year, they are treated as an eligible child for that year. Although the child will not be eligible for a CP during this break, they will be eligible once they return to full time education or vocational training within the year. If the child does not return to full time education or vocational training within the year they will not be eligible for a CP.

4.22. Where a child has left school but takes a break of up to 15 months before starting full time education or vocational training, they will be treated as an eligible child for that period. No CP is paid during the break however the CP will continue once they enter full time further education or vocational training if within 15 months from leaving school.

4.23. A child over the age of 17 but under the age of 23 who stops full time education or vocational training because of ill health is treated as continuing education or training until whichever is the earlier of:

- they resume education or training
- they are no longer ill but decide not to resume the education or training
- their ill health is such that they are unable to resume the education or training

4.24. In the above cases the CP will be paid until the child reaches the age of 23 or ceases full time education, whichever is the earlier.

4.25. A child can receive two CPs in respect of two individuals.

4.26. Where it appears that a child fulfils the criteria for eligibility in respect of the death of three or more members of the Armed Forces, they will be awarded the two highest payments for which they are eligible.

Bereavement Grant

4.27. The Bereavement Grant (BG) is payable to the eligible partner. Where there is no eligible partner, then the BG is divided between all eligible children.

4.28. The BG is a tax free lump sum paid to dependants in certain cases. The purpose of the BG is to offset the difference in death in service lump sum payments available from the two Armed Forces Pension Schemes (AFPS).

4.29. Under the AFPS 1975⁸, the death in service lump sum paid is equal to three times the individual's final salary whereas under the AFPS 2005⁹ the lump sum is equal to four times the individual's final salary.

4.30. The amount paid as BG also depends on whether the death occurs during or after service. This is due to the differing pension benefits paid through the AFPS depending on whether the death occurs during or after service.

4.31. The BG was developed as a part of the AFCS to recognise that where an individual dies as a result of service, their partner and/or child(ren) should not receive a lower lump sum than they may have done if the deceased had been a member of the new pension scheme. As a result, depending on the pension scheme that the person was a member of, and whether the death occurs during or after service, their pension lump sum is enhanced where appropriate by payment of a BG.

4.32. Where an individual dies in service one of the following amounts are payable:

- If the deceased was a member of AFPS 75 a BG of £25,000 is payable
- If the deceased was a member of AFPS 05 and their salary at the date of death was less than the BG amount, their dependant(s) will receive the difference between their salary and the BG amount, for example if their salary was £16,000 per annum, their dependants will receive a payment of £9,000. If their salary at date of death was above the BG amount then no BG is payable

4.33. If the death occurs after the individual has left service, the BG is paid regardless of the pension scheme of the member. The amount payable is one and a half times the base level of BG in order to compensate for the smaller lump sum that is payable from the Armed Forces pension schemes so the BG payable in these circumstances is £37,500.

4.34. Separate provisions apply for Reservists (see Chapter 7).

Bereavement Grant payments

4.35. The following table summarises the level of BG payable in various circumstances:

	AFPS 75		AFPS 05	
Date of death	In service	Post service	In service	Post service
Between 06.04.05 and 02.08.10	£20,000	£20,000	Amount dependant on salary at date of death ¹⁰	£20,000
From 03.08.10	£25,000	£37,500	Amount dependant on salary at date of death ¹⁰	£37,500

8. Armed Forces Pension Scheme 1975

9. Armed Forces Pension Scheme 2005

10. Where the member's salary at date of death is below the relevant standard BG amount – the amount payable is the difference between the individual's salary and the relevant standard BG amount. If the individual's salary at date of death is more than the relevant standard BG amount no BG is payable.

Chapter 5 – Making a Claim

Overview

5.1. In most circumstances, a claim form must be completed before a decision can be made on whether compensation is payable. The claim must be made in writing to SPVA within the time limit – see paragraphs 5.4 to 5.12 for more information on what this means.

5.2. AFCS claim forms can be accessed on line from www.mod.uk/afcs and clicking on the link for members of the Armed Forces. The form must be printed and signed, then sent to SPVA.

5.3. There are two circumstances where an AFCS award will be considered automatically without the need for a claim form. These are:

- When an individual is medically discharged and has been considered eligible for an ill-health pension, the SPVA will automatically consider the medical condition leading to medical discharge to determine whether it is caused by service and therefore warrants an AFCS award. This will not happen if the individual already has an AFCS award for that condition.
- When an individual dies whilst in service and leaves an eligible partner and/or eligible child(ren), subject to paragraphs 4.12 to 4.13, bereavement compensation will automatically be considered by the SPVA.

Timing

5.4. The time limit for making a claim is, in most cases, seven years. This provides sufficient time for an individual to make a claim. If a relatively minor injury is sustained as a result of service, it might be that the individual wants to make the claim immediately and move on. However, if the injuries are of a more serious nature and continued medical treatment is required they may wish to delay their claim until their injuries are more settled and they have established their rehabilitative process. It is important to recognise that while an individual remains in service they will continue to receive their salary and appropriate support from the Services. An individual should feel under no pressure to make a claim immediately, should higher personal priorities exist and awaiting injury prognosis before claiming can, in some cases, be helpful.

5.5. When making a claim for an injury the seven year time limit starts on whichever is the earliest of the following:

- The day the injury is sustained
- The day any injury which is not caused by service is made worse by service
- The day the individual's service ends
- The date the individual first sought medical advice in relation to an illness

5.6. In some illness cases, the seven year time limit can be extended for a further three years where the illness first started within the seven year period, but was not diagnosed until less than a year before the end of those seven years, so the individual may not have had sufficient time to make their claim.

Illnesses with a late onset

5.7. The above time limits do not apply in cases where the illness (including mental illness) is medically considered a late onset illness. In these cases, the time limit is three years from the date of diagnosis, whenever that diagnosis takes place (i.e. it could be some decades after service has ended).

Other time limits that apply

5.8. If an individual leaves service and dies of an injury or illness caused by service within seven years of having left service, a claim for bereavement compensation can be made within 3 years of the bereavement.

5.9. A claim for a *fast payment* (see paragraphs 3.47 to 3.51) can be made within six months from the date of the injury.

5.10. A claim for payment of *overseas medical expenses* for an injury or illness for which an AFCS award has been made (see paragraphs 3.52 to 3.70) must be made within one year of service ending, and be made before moving outside the UK, and before the expenses are incurred.

5.11. If an individual is physically or mentally incapable of either making a claim themselves or instructing another person to do so on their behalf within the time limits, then the time limit can be extended. Each case of this kind will be considered in the light of its specific circumstances.

5.12. There may be instances where an individual wants to either amend their claim or later decides not pursue it at all. Where this happens, the individual should write to the SPVA to let them know as soon as possible. If the claim is withdrawn it cannot later be re-instated, though if this happens within the time limit, a new claim can be made.

Relationship between AFCS and common law damages

5.13. It is longstanding MOD and wider public policy, as well as a principle of common law, that an individual should not be compensated twice for any single injury, illness or death. Therefore, where service personnel or their dependants receive compensation under the AFCS and also receive common law damages¹¹ for the same injury, illness or death, action is required to ensure 'double compensation' does not occur. Adjusting awards to take account of other payments made in respect of the same injury, illness or death is termed *abatement*.

5.14. The AFCS is a 'no fault' scheme, which means receiving an AFCS award does not indicate there has been negligence on the part of MOD in the injury, illness or death being sustained; in making a payment the MOD is not admitting any form of liability. The scheme does not, however, prevent service personnel or their dependants from pursuing claims for common law damages if

11. An award of compensation made following a claim in the civil courts for injury, illness or death

they consider that injury, illness or death occurred as a result of MOD or third party negligence¹². Decisions under the AFCS and through a common law damages claim are made entirely independently from one another.

5.15. In signing the AFCS claim form an individual confirms they will notify the SPVA if they have claimed for, or in future claim, compensation as a result of MOD or third party negligence.

5.16. Where MOD 'no fault' compensation has been paid and common law damages awarded, either the AFCS award or the common law damages will be adjusted where payments are made twice to compensate for the same aspects of injury.

Personal insurance

5.17. Purchasing personal accident and/or life insurance cover is voluntary and entirely independent from the compensation provided for under the AFCS. It is for individual service personnel to decide whether or not they wish to purchase separate insurance cover and, if so, which insurance policy to adopt.

5.18. Any payment paid from AFCS is paid in addition to any personal accident or life insurance cover. AFCS payments are not reduced in line with insurance payments. It may be that insurers reduce their payments in light of AFCS payments, this would depend on the particular policy the individual purchased.

Negligence or misconduct

5.19. If an individual contributed to their injury through their own negligence or misconduct, up to 40% of any AFCS award payable may be withheld.

Payment

5.20. Lump sums and any associated supplementary awards paid under the AFCS are paid as soon as possible after the decision to make an AFCS award has been made.

5.21. Where a GIP is payable, it is paid as soon as possible from when eligibility begins. GIPs are not paid while individuals are still in service because they continue to receive their military salary at this time. GIPs are payable from the day after the last day of Service.

5.22. For claims made after an individual has left service and where a GIP is payable, the payment begins from the date of the AFCS claim. All those medically discharged who qualify for an ill-health pension are automatically considered for an AFCS award for their most serious medical condition (unless they already have an AFCS award for the condition). It is unlikely individuals will have an injury which was caused by service sufficiently serious to attract a GIP for which they make a post-service claim.

12. Compensation arising from a source unconnected to the Ministry of Defence e.g. in the event of a car accident, a Service person may seek compensation from the other driver

Frequency of payment

5.23. GIPs, SGIPs and CPs are paid monthly in arrears. They are therefore paid on the same date each month, e.g. if the first payment is made on the 10th of the month then subsequent payments will be made on the 10th of the month.

Admission to the Royal Hospital, Chelsea

5.24. The Royal Hospital, Chelsea is part-funded by the MOD with pensioners being provided with board, lodging and medical care. Therefore if an individual is entitled to an AFCS GIP or SGIP and they enter the Royal Chelsea Hospital as an in-pensioner, the AFCS award will cease until such time as they leave. This ensures there is no duplication of funding.

Sharing and/or Accessing Information

5.25. There may be occasions when a person other than the individual who is claiming AFCS may want to find out about the claim in the course of their staffing responsibilities or on behalf of the individual concerned, for example Company Commanders, Visiting Officers, or other individuals supporting the injured service person, or their family.

5.26. Whilst it is understood that in dealing with the impact of their injury and working their way through the recovery process some individuals may seek the help and support of others in relation to their AFCS claim, the SPVA must in all cases adhere to the rules around Data Protection, confidentiality and sharing of personal information. As a result, before any AFCS claim information can be shared with a third party the individual must give written consent to SPVA.

Chapter 6 – Claims Made on Behalf of Another Person

Persons who are mentally infirm

6.1. Where a person may be eligible for AFCS compensation but in the opinion of the SPVA is incapable of managing his or her own affairs because of mental infirmity, they can have their claim progressed by a person who has legal authority to do so, for example a parent or a third party such as a representative from an ex-service organisation. If, however, there is no one who has appropriate authority to act on the individuals behalf, the SPVA can appoint another person to do so. Before appointing the person the SPVA may seek assurance from that person as to the use of any AFCS compensation that may be paid in respect of the individual.

The appointed person must:

- exercise the individual's rights in respect of their AFCS claim
- receive and deal with awards payable under the Scheme
- manage the award for the benefit of the individual

6.2. Where SPVA has appointed a person to undertake this role, they may withdraw the appointment at any time. The person themselves may resign having given one months notice to enable alternative arrangements to be made.

Chapter 7 – Reserve Forces

Overview

7.1. The AFCS applies to all members of the Reserve Forces, including Sponsored Reserves¹³ and their dependants. In general, the Scheme rules for the Reserve Forces are the same as for Regular Forces, with some necessary adjustments in place reflecting the different basis of engagement. These are detailed below.

GIP

7.2. Essentially the base GIP calculation is the same for Reserves as for Regulars. The GIP is based on the individual's age at last birthday and salary at the end of their period of Reserve service. For Reservists the salary figure used to calculate GIP is the basic service salary of a Regular service person in the same service and of equivalent rank and seniority. There are, however, some circumstances where the GIP calculation may also include an amount in respect of the reservists' award¹⁴ that the Reservist was receiving.

7.3. Set out below are the types of circumstance which may arise in relation to Reservists. This list includes reference to the individual's level of civilian salary compared with their service salary.

- (1) injured on permanent service (i.e. mobilised) – individual's civilian salary is more than their service salary
- (2) injured on permanent service (i.e. mobilised) - individuals civilian salary is less than their service salary
- (3) injured on training, drill nights, exercise or while fulfilling Additional Duties Commitments (ADC) – individual's civilian salary is more than their service salary
- (4) injured on training, drill nights, exercise or while fulfilling ADC – individuals civilian salary is less than their service salary

GIP calculations

7.4. Where circumstances (1), (2) or (3) apply, the GIP calculation is based on the service salary plus the reservists' award.

7.5. In situation (4) the GIP calculation is based on the individual's service salary only.

7.6. If the individual is in Full Time Reserve Service (FTRS)¹⁵ the GIP calculation will be based on the basic service salary.

13. The Sponsored Reserve consists of personnel who have joined the TA because of their employers' obligations to MOD for the maintenance of agreed services in an operational theatre as laid down in Part V of the Reserve Forces Act 1996

14. A financial award paid to Reservists under regulations made under section 83 of the Reserve Forces Act 1996

15. FTRS is when a Reservist voluntarily serves under a full time contract of employment with the Armed Forces

Impact on GIP when other payments have been, or will be, paid

7.7. The Reservist GIP reflects the lost earnings for the individual in terms of both salary and pension; therefore it is adjusted to take account of pensions or payments received from any of the following schemes:

- the AFPS 1975, AFPS 2005, Gurkha Pension Scheme, a Reserve Forces Pension¹⁶
- the Armed Forces Early Departure Payment Scheme
- personal and occupational pensions

7.8. Where a Reservist is entitled to a GIP for any period during which the Reservist is also entitled to an ill-health pension for the same injury for which GIP is paid, the GIP will be reduced by the full amount of the ill-health pension.

7.9. Where a Reservist is entitled to a GIP for any period during which the Reservist is also entitled to (i) an AFPS or reserve forces pension (ii) an EDP payment or (ii) a civilian pension that is not an ill-health pension for the same injury for which the GIP is paid, the GIP will be reduced by 75%.

See Annex A for examples of GIP calculations.

Awards for dependants of Reservists

7.10. Calculations of awards for partners and children are made in the same way for Reservists as they are for Regular personnel, as outlined in Chapter 4, including adjustments where appropriate.

16. Reserve Forces Pension means the Full Time Reserve Service Pension Scheme 2010 (FTRS), the Non-Regular Permanent Staff Pension Scheme (NRPS) or the Reserve Forces Pension Scheme 2005 (RFPS)

Bereavement Grant

7.11. The following levels of Bereavement Grant apply to Reserve personnel:

	Reserves			
	In Service			Post Service
Date of death	Not a member of any Armed Forces Pension Scheme	Member of the Reserve Forces Pension Scheme 2005	Member of AFPS 1975 or 2005	
Between 06.04.05 and 02.08.10	£30,000 (1½ x standard BG)	Dependent on the salary at date of death ¹⁷	£20,000 (standard BG)	£30,000 (1½ x standard BG)
From 03.08.10	£37,500 (1½ x standard BG)	Dependent on the salary at date of death ¹⁷	£25,000 (standard BG)	£37,500 (1½ x standard BG)

7.12. The Bereavement Grant paid for Reservists where death is caused by service and where the individual is not a member of RFPS is 1½ times the standard Bereavement Grant. This provides an enhancement to any BG paid, to recognise the fact that civilian occupational pensions schemes usually have less generous provisions in relation to the lump sum that may be payable to dependants on death than that of the RFPS or AFPS.

17. Where the individual is a member of the Reserve Forces Pension Scheme 2005 and the salary at date of death is below the standard BG amount, the amount payable is the difference between the individual's salary and the relevant standard BG amount. If the individual's salary at the date of death is more than the relevant standard BG amount no BG is payable

Chapter 8 – Review, Reconsideration and Appeal

Overview

8.1. The AFCS is designed to make awards as soon as possible after the claim. These awards are full and final and not subject to continuing review, in order to provide individuals with a degree of certainty about their financial position. This allows them to move forward with their lives, focussing on the future rather than wondering whether they will receive compensation, how much it might be, and whether it may be changed at some point in the future. There are very limited circumstances under which an award may be reduced or removed. Gaining employment or recovering more quickly or more fully than originally expected **do not** result in removal or reduction of compensation.

8.2. In every case, all relevant evidence and information will be gathered and all relevant factors carefully considered in the assessment of the claim. This ensures that the award is comprehensive, accurate and equitable from the outset. It should properly reflect the injury or injuries which have been caused by service. It is not helpful if evidence should come to light at a later stage that could have been considered at the outset and may have had an impact on the original award, so the scheme is designed to minimise the likelihood of this happening.

8.3. In cases where an injury is caused by service but its ongoing effects are uncertain, an *interim award* may be made. This is where compensation is paid at what appears to be the likely level of the final award but the individual's prognosis is not sufficiently clear to come to a final decision on the most appropriate level of compensation. (see paragraph 3.34 for more details)

8.4. In making a decision on a claim, the decision maker will ensure that any subsequent scrutiny of the decision will clearly show that all available and relevant evidence was obtained and considered at the time of the initial claim. While updated evidence may be available and considered at later stages, the re-examination is not designed as an opportunity to look for more evidence. When an award is looked at again, SPVA will therefore focus on what the individual says about the effects of the injury and why they do not feel the scheme has been appropriately applied, along with the evidence provided to support the reasons why the individual disagrees with the decision, rather than re-opening the original claim.

8.5. In summary, the initial claim consideration is when the 'horizon scan' of all issues relevant to the claim will be made – if the claim is looked at again in future, the range of issues being examined will become more focussed as time goes on.

Types of review

8.6. It is recognised that in some circumstances unexpected events that were not foreseen at the time the claim was made and awarded and which change the prognosis or trajectory of recovery, may mean the individual wishes their award to be reviewed. The purpose of re-examining cases under these circumstances is to ensure that the award properly reflects the injury and its effects.

8.7. The following are the various forms of review within the Scheme:

- Reconsideration
- Review of an AFCS award when service ends
- Review of an AFCS award in exceptional circumstances
- Review of an AFCS award due to ignorance of fact or mistake
- Final review of an AFCS award

8.8. You can find more information on each of these reviews in the paragraphs below. Importantly, the majority of reviews cannot lead to a reduction of a compensation payment. This reflects the full and final nature of the Scheme and encourages individuals to move forward with life after injury with financial security.

Reconsideration

8.9. The reconsideration process enables an individual to explain why they do not agree with the decision made on their claim. An application for a reconsideration should be made in writing, signed by the claimant, and should explain the reasons why the individual is not happy with the compensation decision. SPVA will then take a look at the case again in light of the comments received. The decision maker who undertakes the reconsideration is different from the original decision maker, enabling a 'fresh look' at the case. During reconsideration, SPVA can either maintain the decision already made or increase the award. The award cannot be reduced or removed.

8.10. If an individual applies for a reconsideration and does not detail why they do not agree with the decision, SPVA will ask for an explanation. While reconsideration is not limited to examining the reasons why the individual disagrees with the decision, this is the main focus of the process.

8.11. There may be cases where the outcome of a reconsideration leads to an increase in award level. This could lead to an increase in the level of an existing GIP or mean that a GIP becomes payable for the first time. In either of these circumstances, the date for paying the revised GIP will be the original date of the claim which has been reconsidered, or the day following service termination, whichever of the two is later.

8.12. An application for a reconsideration must be made within 12 months from the date of the original decision which is the subject of the reconsideration.

Review of an AFCS award when service ends

8.13. Where an individual has made a claim for AFCS and a decision on their claim has been made within the seven years prior to them leaving service, they can request a review of their award within a year after their service ends. This applies regardless of how service ends, and regardless of how the decision was reached (the original decision, a decision at reconsideration, a decision at review, or a tribunal decision – for more on tribunals see paragraphs 8.24 to 8.37).

8.14. By the date of service termination, the majority of injured personnel will have reached the point at which their condition has stabilised or their prognosis and future recovery path will be clear. As a result, decisions made at this time can be informed by all relevant in-service medical and other evidence. For this reason, individuals can write to SPVA within this year if they feel their AFCS award is not appropriate, explaining why.

8.15. If the injury for which the award was made has worsened, or a further injury developed, the award can be changed. The individual should, in their application, explain why they think the injury has got worse or which further injury has developed. These reasons will be the focus of the review. The review can result in the award being maintained or increased; it cannot result in the reduction or removal of an award.

Review of an AFCS award in exceptional circumstances

8.16. The Scheme is designed to provide a full and final award taking into account the expected effects of the injury and its treatment through life. There may, however, be circumstances where an injury unexpectedly deteriorates or consequential problems develop beyond those anticipated. In these cases, the award given may not be appropriate in the longer term. If this occurs within 10 years from the original decision, the individual can request a review of their award, explaining how and when the injury worsened and why this worsening is both unexpected and exceptional. This timeframe allows a reasonable period of time for any departure from the expected course of recovery to become evident.

8.17. Individuals must apply for this review within a year of the worsening or unexpected and exceptional development beginning – this is enough time to contact the SPVA to let them know that the award should be looked at again. Similarly to reconsideration and other types of review, this type of review can only maintain or increase the award; it cannot result in the award being reduced. Recognising that such unexpected and exceptional worsening is likely to be uncommon, as final awards under AFCS are only made once prognosis is clear (with interim awards used until the injury is settled) only one review of this type can be conducted for any injury.

8.18. There may be cases where the outcome of an exceptional review leads to an increase in the level of an existing GIP or mean that a GIP becomes payable for the first time. In either of these circumstances, the GIP becomes payable from the date of the request for the exceptional review or, if the GIP has not yet been paid as the individual has not left service, then the new level of GIP will be payable from service termination.

Review of an AFCS award because of a mistake or ignorance of fact

8.19. A decision under AFCS can be reviewed at any time if it was made in ignorance of a fact or based on a mistake. This type of review can be instigated either by the claimant or the MOD and can lead to:

- an award being made where one previously was not; or
- the original decision being revised so that compensation is either cancelled, reduced, maintained or increased.
- a change in the date from which compensation is payable

8.20. This is the only type of review which can lead to a reduced amount of compensation being paid. Great care will always be taken when considering whether an award of compensation is cancelled or reduced and this will only be done where there is compelling evidence of a mistake or ignorance of a fact.

Final review of an AFCS award

8.21. Where more than 10 years have passed since the AFCS decision, a 'final review' of an AFCS award can be requested. Given the number of review points that are available for an award before the ten year point, and the basis of AFCS as a Scheme which makes final decisions only once prognosis is clear, it is anticipated that there will be exceptionally rare occasions where the AFCS award is found to be inappropriate beyond the ten year point. Where this does happen and the individual can provide new and compelling evidence that maintaining the award as it stands would be manifestly unjust, then this type of review can be requested. Again this final review cannot reduce an award – awards can only be either maintained or increased. This reflects the full and final nature of the Scheme which encourages individuals to move forward with their lives following injury, only one review of this type can be conducted for any injury.

8.22. There may be cases where the outcome of a final review leads to an increase in the award level along with an increase in the level of an existing GIP or bringing a GIP into payment for the first time. In either of these circumstances, the GIP is payable from the date the final review was requested, or if the person is still in service, the new GIP is payable from the day after service ends.

Where a decision is changed, the effective date of the change is:

	Date of claim	Day after service termination	Date of application for review
Reconsideration	√		
Review of an AFCS award when service ends		√	
Review of an AFCS award in exceptional circumstances			√
Final review of an AFCS award			√
Review of an AFCS award due to ignorance or mistake	√*		

*Where the individual has applied for the review, any increased award is backdated to the date as set out in the table above subject to a maximum backdated period of 6 years, this is the usual time period for which backdated payments in public schemes are payable in the UK.

8.23. The award cannot be paid further back than the date of the original claim.

Appeals

8.24. If an individual is not happy with the decision made in relation to their AFCS claim, in most cases, they may appeal that decision to an independent tribunal. The circumstances of each case will be different and the individual will need to give the reasons why they disagree with the decision. If they have evidence to support the appeal, this should be sent to the SPVA.

8.25. Once an appeal is made SPVA will first look to see if a reconsideration has been conducted on the claim (see paragraphs 8.9 to 8.12). If one has not been undertaken, they will automatically undertake a reconsideration. This reconsideration enables SPVA to take a fresh look at the case in light of the comments and any evidence received. The outcome of the reconsideration may lead to the appeal being resolved and not proceeding to the independent tribunal.

8.26. However, if a reconsideration has previously been conducted or the reconsideration does not change the decision, the case will proceed straight to the independent tribunal. These tribunals deal solely with Armed Forces compensation cases and each consists of a legally qualified Chairman, a medical member and an ex-Service member.

Time Limits for Appeals

8.27. Appeals must be made within 12 months from the date of the original or reconsideration decision.

8.28. There are some circumstances where the individual will be allowed to appeal beyond the 12 month period. When the individual appeals after 12 months have elapsed, they must state why they (or someone on their behalf) did not put in place an appeal within the 12 month period. Individuals cannot appeal after 24 months.

Appeal process

8.29. The steps that must be taken in order to appeal depend on where the individual lives and are set out below.

8.30. If living in England, Wales or overseas, the individual must either complete an appeal form or write to SPVA stating:

- Their name, address and member/service number
- The name and address of any representative – if they have one
- An address where documents can be sent or delivered (this will normally be the home address)
- The date and details of the decision being appealed
- Why the individual disagrees with the decision

8.31. If living in Scotland or Northern Ireland, the individual must complete an appeal form and send it to SPVA. This form can be obtained by calling the SPVA Helpline on: 0800 169 2277 or +44 (0)1253 866043.

8.32. Once the appeal application is received, the SPVA prepare a bundle of documents relevant to the appeal and pass them to the tribunal service. SPVA will also provide the claimant with a copy of the bundle of documents and information on the appeal process. The individual bringing the appeal can attend the tribunal hearing. Oral evidence provided by the individual may be relevant to the tribunal and can provide confidence that their case has been fully heard. The Royal British Legion and other service charities provide a free service to support people through the process. SPVA will be represented at the hearing. The tribunal hearings are open to the public.

8.33. When the appeal is heard the tribunal will consider all the information on the case. The tribunal panel members may ask questions of the individual bringing the appeal, their representative (if they have one) or the SPVA representative about the case. The tribunal's decision could result in the award being maintained, increased, reduced or cancelled.

8.34. On receipt of the tribunal decision, if either party (the individual or MOD), does not agree with the decision they have a further right of appeal. The further appeal to the next level of tribunal must be made within 42 days (6 weeks) from when the tribunal issued their decision.

8.35. In cases where MOD does challenge the tribunal decision, the MOD may decide not to put into payment any money that may be due to an individual as a result of the tribunal's decision. It does not affect any awards that have already been paid by the SPVA to the individual as a result of the claim. In these cases the MOD must notify the individual in writing that the payment is being suspended.

8.36. If MOD later decides not to continue with an appeal to the next level of tribunal after all, the original tribunal's decision will be implemented and any payments (including back payments) due to the individual will be paid in full.

8.37. More information on the tribunal procedures can be found at <http://www.justice.gov.uk/guidance/courts-and-tribunals/tribunals/war-pensions-and-armed-forces-compensation/appeals.htm>

Overpayment recovery

8.38. Where it is discovered that an underpayment has been made on a claim, the balance will always be paid. Overpayment recovery will take place in line with Departmental and broader Government guidelines where it is discovered that an incorrect payment has been made or is in payment.

Chapter 9 – Additional Information

9.1. AFCS awards are one element in a co-ordinated range of services, benefits and programmes provided by the Government, devolved administrations and delivery agencies. These organisations work together to support an individual who has been injured in the service of their country to maximise their well-being.

9.2. There may be other benefits to which individuals are entitled. For more information on such benefits, individuals can seek advice from the Royal British Legion, the Citizens Advice Bureau or from the Department for Work Pensions at www.dwp.gov.uk

Free prescriptions

9.3. Individuals may receive free NHS prescriptions for medication which relates to the injury or illness for which they have received an AFCS award. To receive a certificate that enables them to claim free prescriptions, individuals need to contact SPVA.

Travel Concessions

9.4. Individuals who have received at least one AFCS award at tariff levels 1 – 8 who have a permanent mobility-related injury may be automatically eligible, without further assessment, to free bus travel. They may also receive a 'blue badge' which entitles them to free parking. More information can be obtained from the individual's local authority or via www.direct.gov.uk

Annex A - Worked Examples of Guaranteed Income Payment Calculations

Example 1

A service person aged 23 loses a foot in an incident caused by service. The injury is assessed and awarded an AFCS descriptor at tariff level 8.

On leaving service the individual's salary was £20,000.

The individual receives a tax-free lump sum payment of £60,000, and a GIP upon discharge.

The amount of GIP is calculated as follows:

The GIP factor for a person aged 23 is 1.182.

Salary x GIP factor = £20,000 x 1.182 = £23,640

As the injury is in tariff level 8 the person will receive 50% of the maximum GIP, so the annual GIP paid is £11,820 a year.

The individual is also entitled to an AFPS ill-health pension of £3,619 p.a. and the GIP takes account of 100% of this figure.

Therefore the individual is paid a GIP of £11,820 per year, of which £8,201 is paid via the AFCS and £3,619 via their AFPS ill-health pension.

The GIP is increased in line with inflation each year.

Example 2

A service person aged 36 loses a leg as a result of service and is medically discharged from the Armed Forces. They received a salary of £35,000 and the injury is assessed as a tariff level 5 injury.

In addition to a tax-free lump sum payment of £175,000, the individual receives a GIP upon discharge.

The amount of GIP is calculated as follows:

The relevant factor is applied for a person aged 36 which is 1.014.

Salary x GIP factor = £35,000 x 1.014 = £35,490.

As the injury is in tariff level 5, the individual receives 75% of the maximum GIP, so the annual GIP paid is £26,618 a year.

The individual's AFPS ill-health pension entitlement was £13,750, and the GIP is adjusted appropriately.

£12,868 per annum is paid via the AFCS, with £13,750 per annum from the AFPS. The GIP is increased in line with inflation each year.

Example 3 – Reservist on Permanent Service

A reservist aged 25 loses sight in one eye due to service. They receive a service salary of £24,000 and had a financial award totally £3,000 annually paid in relation to their TA service. Their salary for GIP purposes is therefore £27,000.

The relevant factor is applied for a person aged 25 which is 1.157.

The amount of GIP is calculated as:

Salary x GIP factor = £27,000 x 1.157 = £31,239.

As the injury is in tariff level 8, the individual receives 50% of the maximum GIP, so the annual GIP paid is £15,620 a year.

The individual has an occupational pension of £4,500 per annum and the GIP takes account of 75% of this figure. Therefore the award is adjusted accordingly:

£15,620 less 75% of £4,500 (£3,375) = £12,245.

They therefore receive an occupational pension of £4,500 enhanced by a GIP of £12,245. The GIP is increased in line with inflation each year.

Example 4 – Reservist not on permanent service

A reservist aged 37 is medically discharged from service after losing a leg below the knee during exercise. His basic military pay is £35,000 however and he qualifies for an additional £7,000 annually for notional financial awards. Therefore the salary used for GIP purposes is £42,000.

The relevant factor is applied for a person aged 37 which is 1.000.

The amount of GIP is calculated as:

Salary x GIP factor = £42,000 x 1.000 = £42,000.

As the injury is in tariff level 6 he will receive 75% of the maximum GIP, so the annual GIP paid is £31,500 a year.

He has a civilian occupational pension of £25,500 per annum and the GIP takes account of 75% of this figure. Therefore the award is adjusted accordingly:

£31,500 less 75% of £25,500 (£19,125) = £12,375

He therefore receive an occupational pension of £25,500 enhanced by a GIP of £12,375. The GIP is increased in line with inflation each year.

Annex B - Worked Examples of Survivors' Guaranteed Income Payment and Child Payment Calculations

Example 1

A married service person with no children aged 24 dies as a result of service. His salary is £21,441 p.a.

The SGIP is calculated as follows:

Salary x relevant GIP factor x 0.6 = £21,441 x 1.170 x 0.6 = £15,052 p.a.

The individual is entitled to an AFPS pension of £4,178 p.a. and the SGIP takes account of 75% of this figure. Therefore the total amount the individual receives is £4,178 as AFPS income, enhanced by £11,918 from the AFCS. This is paid for life and increased in line with inflation each year.

Example 2

A married service person with 3 children aged 31 dies as a result of service. His salary is £32,000.

The SGIP is calculated as follows:

Salary x relevant GIP factor x 0.6 = £32,000 x 1.081 x 0.6 = £20,755 p.a.

The partner is entitled to an AFPS pension of £12,500 and the SGIP takes account of 75% of this figure. Therefore the total amount the individual receives is £ 12,500 as AFPS income, enhanced by £11,380 from the AFCS. This is paid for life and increased in line with inflation each year.

Child Payments

From the example above the service person was 31 when he died and had a salary of £32,000

The amount of compensation payable for each child is calculated as follows is dependent on the number of children. Where there are three children, the first 2 children receive 15% of the maximum GIP and the third child receives 10% of the maximum GIP.

Children 1 and 2 – the CP payable is calculated as follows:

Salary x relevant GIP factor x 0.15 = £32,000 x 1.081 x 0.15 = £5,189 p.a.

Child 3 – the CP calculation is calculated as follows:

Salary x relevant GIP factor x 0.1 = £32,000 x 1.081 x 0.1 = £3,459 p.a.

Each child is entitled to an AFPS pension of £571 per annum. The AFCS income is adjusted to account for 75% of this figure.

Children 1 and 2 receive £571 from the AFPS, plus £4,761 from the AFCS (£5,189 less 75% of £571)..

Child 3 receives £571 from the AFCS, plus £3,031 from the AFCS (£3,459 less 75% of £571).

For Further Information

Freephone (UK only): Helpline 0800 169 2277
Telephone Number (Overseas): +44 1253 866043
Text phone (UK only): 0800 169 3458

The helpline provides advice on all aspects of the scheme, including obtaining forms.

Lines are open:

Monday to Thursday: 0815 – 1715

Friday: 0815 - 1630

Address:

AFCS

Service Personnel and Veterans Agency

Norcross

Thornton Cleveleys

Lancashire

FY5 3WP

Email: veterans.help@spva.gsi.gov.uk

Website:

www.mod.uk/afcs

www.veterans-uk.info

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