



# FORCES MoneyPlan

ON COURSE  
FOUNDATION

Financial Guidance for Sick and Injured Service Personnel & Veterans

## CPD slides

To provide specialist knowledge that might be required when offering financial guidance to armed forces personnel and veterans including those in receipt of payments

# Welcome



Welcome to this CPD slide pack and notes. These have been designed to provide specific information relevant to financial guidance for armed forces personnel and veterans.

We hope we have struck the right balance between key information and not too much unnecessary detail. Where relevant, we have provided additional information in the notes section of each slide and signposted through to sources of further information.

Thank you for giving up your valuable time in support of this important initiative

**Keith Richards**  
Chief Executive

# Learning Objectives

1. Understand key aspects of the Personal Finance Society pro bono initiative entitled Forces MoneyPlan and your role within it
2. Appreciate the details and working of the Armed Forces Compensation Scheme and the role of personal injury and compensation trusts
3. Be able to access primary sources of further information and support relevant to injured and sick forces personnel and veterans

# Content

## 1. Forces MoneyPlan

- What is 'Forces MoneyPlan'?
- Who are the On Course Foundation?
- How will the pro bono initiative work?
- What documentation should I use?

## 2. Existing organisational and online support for armed forces, veterans and families

## 3. Armed forces compensation

## 4. Capacity and mental health

## 5. Pensions, benefits and concessions for armed forces, veterans and family

## 6. Legal representation

## 7. The bigger picture

# Forces MoneyPlan

# What is

**FORCES**  
MoneyPlan



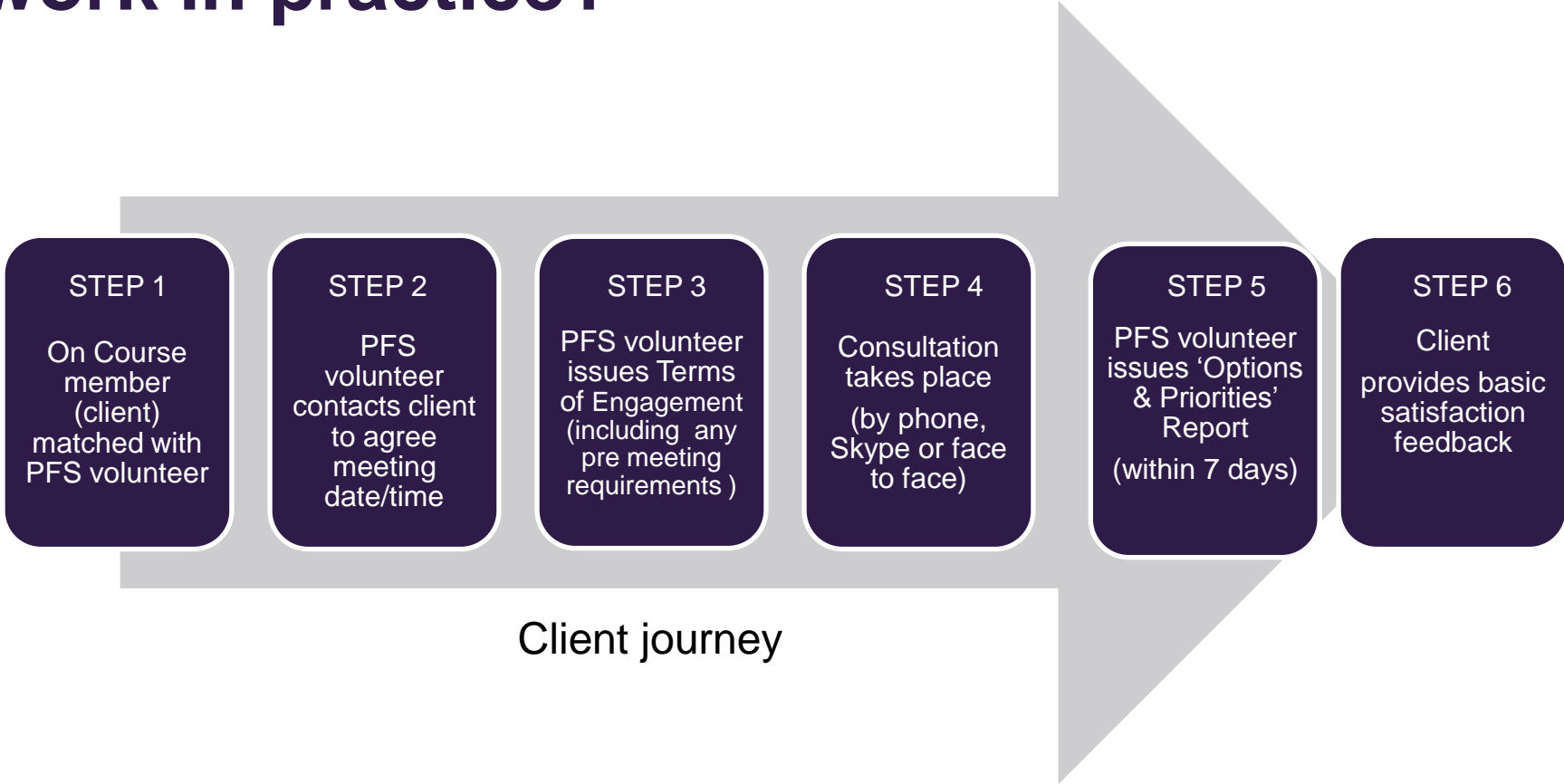
<http://www.thepfs.org/about/inside-the-pfs/forcesmoneyplan/>

# Who are



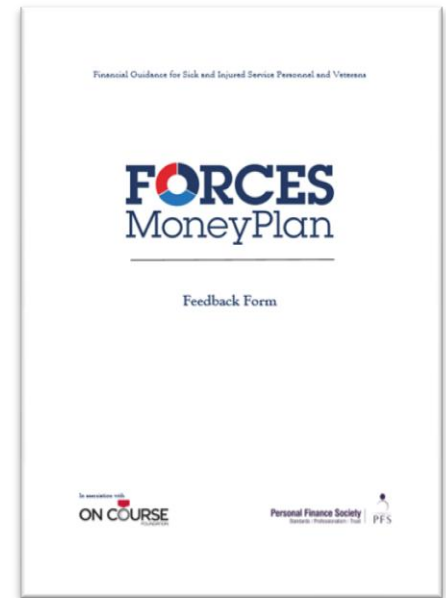
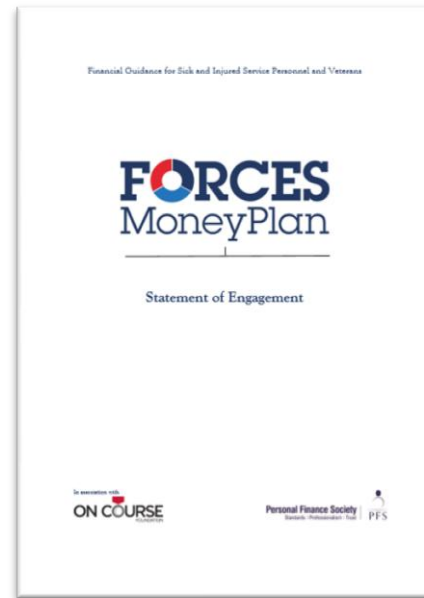
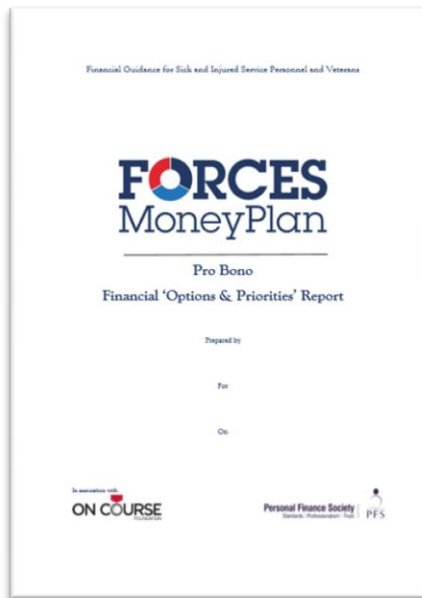
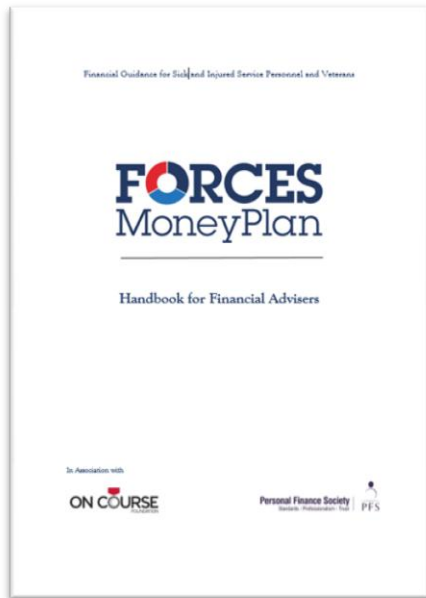
[www.onsoursefoundation.com](http://www.onsoursefoundation.com)

# How will the initiative work in practice?



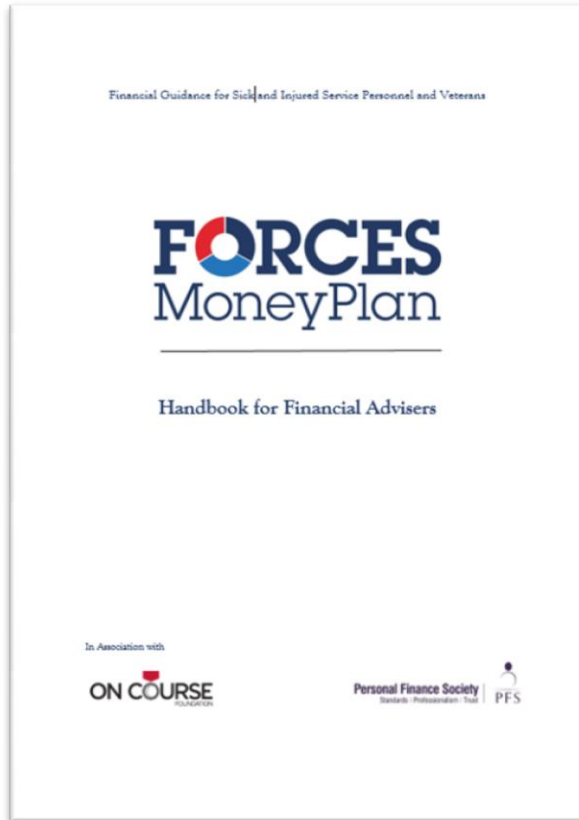


# What documentation do I need to use?



Please ensure you have read each document and are comfortable with their content and the obligations they place on you.

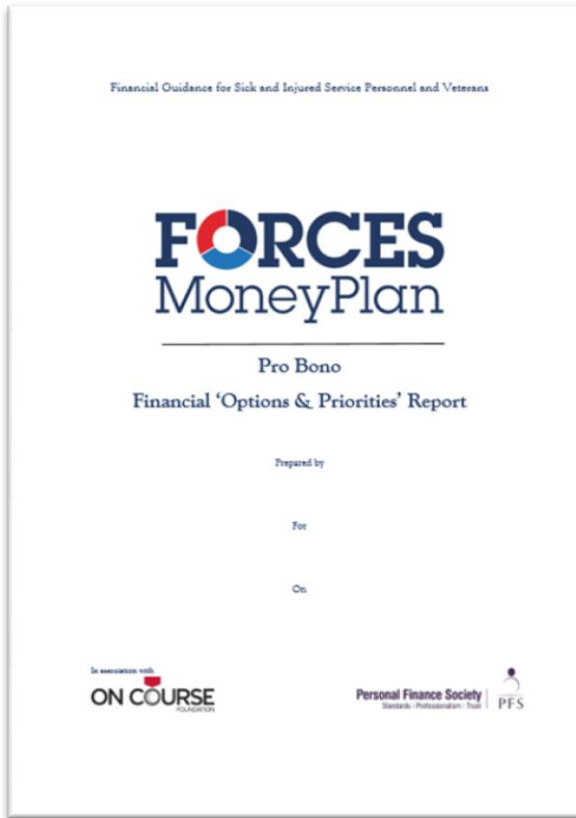
# The Handbook



The **Handbook** is the principle document for the volunteer adviser that describes the workings of the initiative and his/her role within it. It provides details around how the initiative will work, high level principles that need to be adhered to and the nature of the agreement between the Personal Finance Society and the volunteer adviser.

Of critical importance is adherence to the definition of Generic Financial Guidance and the 'Break Clause' to ensure that there is a natural break between the pro bono guidance session and any subsequent fee-based regulated financial advice that may subsequently be requested by the client.

# The Report

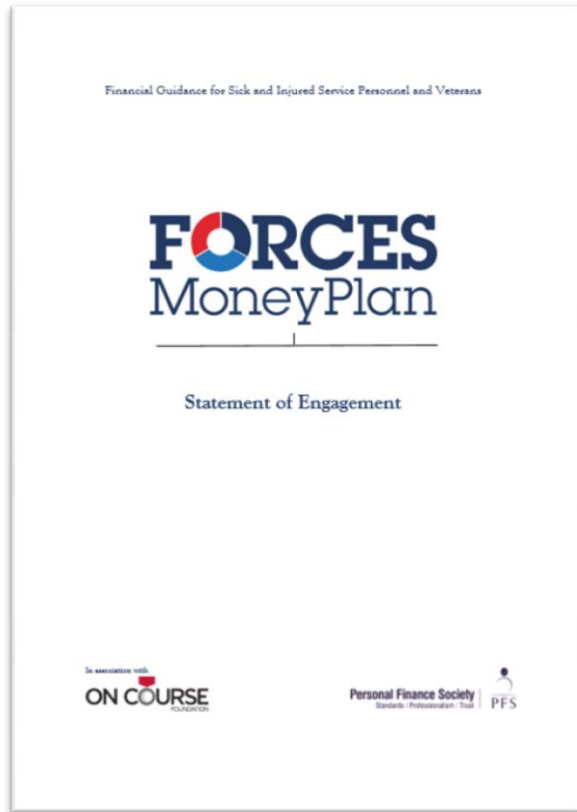


**The Report** has been designed to provide some prescribed general guidance as well as space for the financial adviser to include whatever commentary they see fit based on the consultation itself. It consists 5 sections:

1. Generic principles/rules of thumb underpinning financial wellbeing
2. Things for the client to consider following the generic financial guidance consultation
3. Further sources of reliable, independent financial information
4. Things the client should be aware of (e.g. scams)
5. What the client should do next

Sections 1 ,3 ,4 and 5 are in a prescribed format that should not be changed

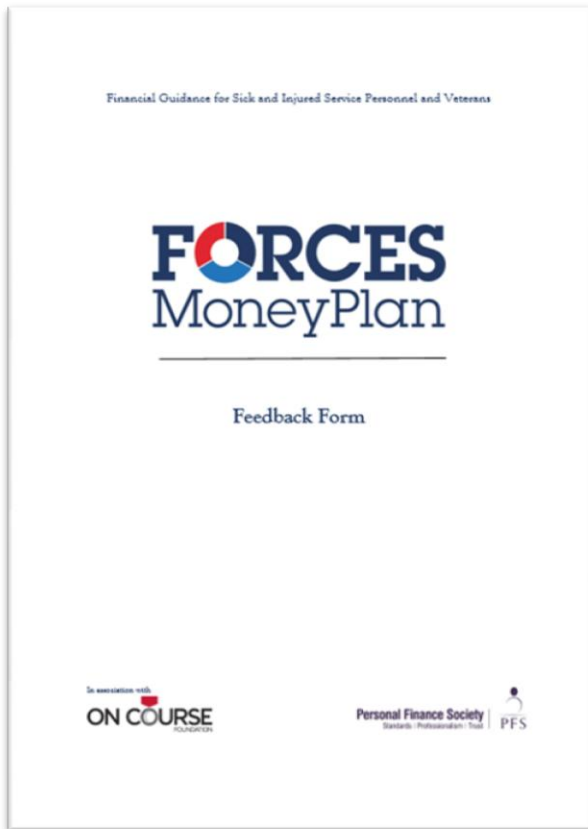
# Statement of Engagement



**The Statement of Engagement** is designed to confirm key aspects of the consultation, manage the client's expectations and request information in advance of the meeting.

The content should be sent to the client either via e-mail or letter in advance of the consultation.

# Feedback



The **Feedback Form** is designed to inform the Personal Finance Society of the effectiveness of this initiative. We shall use this to try and understand the value of the generic financial guidance given, the clients overall experience and an indication of what the client did or intends to do next

Whilst we cannot ensure that the form is returned to us, we would ask that you encourage the client to do so in order that we can improve the initiative in any areas that are identified as needing attention, as well as quantifying the need for regulated financial advice.

# Existing organisational and online support for armed forces, veterans and families

# Good places to start



An overview of support services for military and defence personnel and their families is available via:

<https://www.gov.uk/topic/defence-armed-forces/support-services-military-defence-personnel-families>

# Who are Veterans UK



<https://www.gov.uk/government/organisations/veterans-uk>



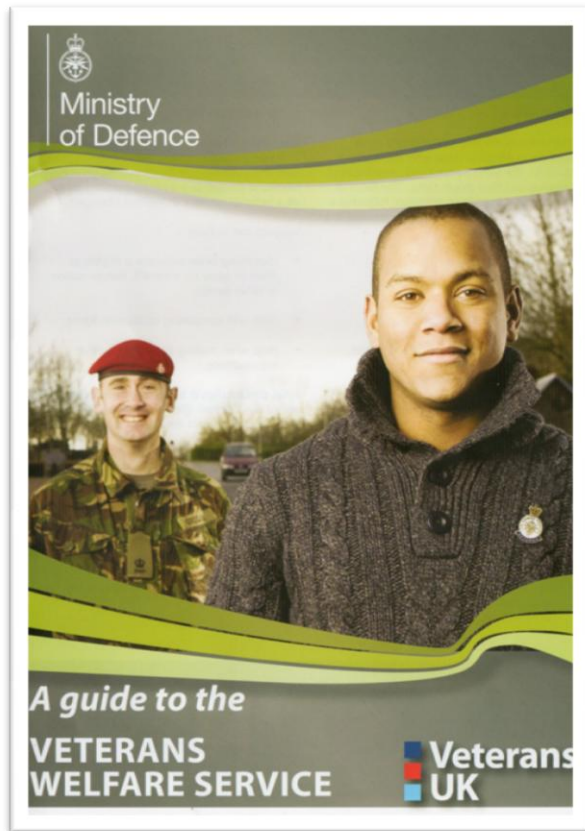
# The Veterans UK Helpline



Email [veterans-uk@mod.uk](mailto:veterans-uk@mod.uk)

Freephone (UK only): 0808 1914 2 18

# Veterans Welfare Service



The Veterans Welfare Service (VWS) is part of the Ministry of Defence's Veterans UK support function and provides one-to-one welfare advice across the UK and Republic of Ireland. It facilitates access to all appropriate services using a caseworker approach that offers professional help and guidance where a change of situation results in a welfare need, for example:

- Leaving service
- Bereavement
- Changes in disablement
- Changes affecting income or finances
- Changes affecting housing

<https://www.gov.uk/government/publications/a-guide-to-the-veterans-welfare-service>

# What is MoneyForce



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**MONEYFORCE**

<https://www.moneyforce.org.uk/>

# What is SIIAP?



**siiap**  
Services insurance and  
investment advisory panel

[www.siiap.org](http://www.siiap.org)

# Armed Forces Compensation

# Armed Forces Compensation

## Overview (1)

There are a number of compensation schemes available to UK serving and former serving personnel who are injured as a result of their service in the armed forces. The scheme that applies to each individual will depend on when and where they served, as follows:

### **The Armed Forces Compensation Scheme**

Where the illness or injury was caused as a result of service on or after 6 April 2005. The individual does not need to have left the armed forces before claiming

### **The War Pensions Scheme**

Where the individual is no longer serving and their disablement was caused as a result of service in the armed forces before 6 April 2005

### **The Criminal Injuries Compensation (Overseas) Scheme**

Where the individual or eligible dependants are the innocent victim of a crime of violence while serving overseas

# Armed Forces Compensation

## Overview (2)

Further information can be sourced via the following link:

[www.gov.uk/government/publications/armed-forces-compensation/armed-forces-compensation-what-you-need-to-know](https://www.gov.uk/government/publications/armed-forces-compensation/armed-forces-compensation-what-you-need-to-know)

Including:

- Armed Forces Compensation Scheme (AFCS); an overview
- Armed Forces Independent Payment (AFIP)
- Survivors Benefits
- Payment arrangements
- Reasons for not receiving an award
- What to do if their condition worsens
- Other benefits that may be available
- Can they claim a fast payment?
- AFCS forms
- Further Information

# The Armed Forces Compensation Scheme (1)

The Armed Forces Compensation Scheme (AFCS) provides compensation for any injury, illness or death which is caused by service on or after 6 April 2005. The AFCS is a no-fault scheme which means payment is made without admitting fault. It is entirely separate from any other personal accident cover which is not taken into account when determining an AFCS award

There are two main types of AFCS benefits:

## **Lump sum payments**

Range from £1,200 up to £570,000 (tax free) reflecting the severity of the injury/illness (multiple injuries from the same incident receive compensation for each injury up to a maximum of £570,000)

## **Guaranteed Income Payments (GIP)**

For those with more serious injuries and illnesses, AFCS also provides an income stream known as GIP. This is a tax free, index linked monthly payment.



# The Armed Forces Compensation Scheme (2)

Further information can be sourced via the following link:

[www.gov.uk/government/publications/armed-forces-compensation/armed-forces-compensation-what-you-need-to-know](http://www.gov.uk/government/publications/armed-forces-compensation/armed-forces-compensation-what-you-need-to-know)

Including:

- Who is eligible?
- Time restrictions for claims
- What can be claimed for?
- Types of awards
- How to submit a claim
- Information needed to support your claim
- How your claim will be processed
- Legislation
- How awards are calculated

# The Armed Forces Compensation Scheme (3)

AFPC awards are one element in a co-ordinated range of services, benefits and programmes provided by government and delivery agencies.

## **Personal Insurance**

Any payments paid from personal accident or life insurance cover is paid in addition to any AFCS award

## **NHS prescriptions**

Individuals may receive free NHS prescriptions which relate to the injury or illness for which they have received an AFCS award

## **Universal Credit**

All AFCS awards are exempt from the financial assessment for Universal Credit

## **Social Care**

AFCS lump sums are exempt from the Local Authority social care financial assessment when put into a personal injury trust.

# The War Pension Scheme

The WPS compensates for any injury, illness or death which occurs before 5 April 2005.

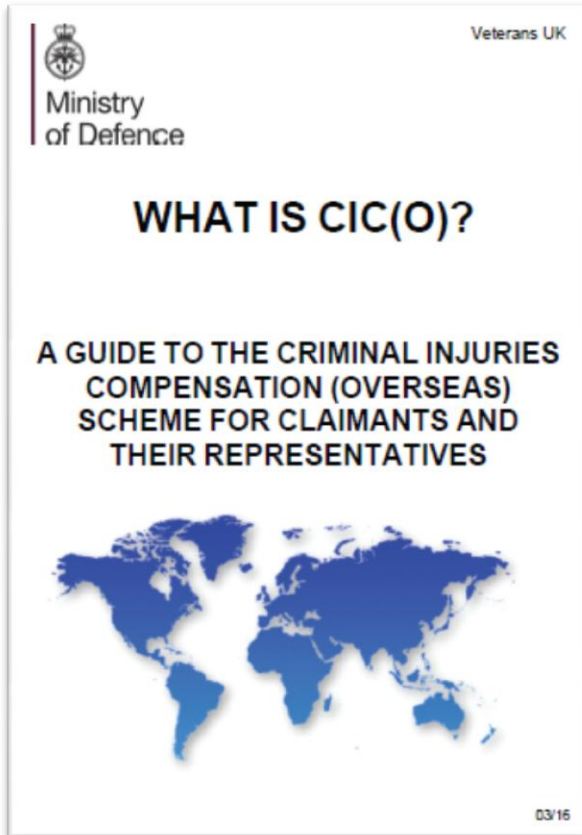
Further information can be sourced via the following link:

[www.gov.uk/government/publications/war-pension-scheme/war-pension-scheme-what-you-need-to-know](http://www.gov.uk/government/publications/war-pension-scheme/war-pension-scheme-what-you-need-to-know)

Including:

- Who is eligible?
- Time restrictions for claims
- What can be claimed for
- How to submit a claim
- Information needed to support a claim
- How a claim will be processed
- Legislation
- Types of awards and how they are calculated

# The Criminal Injuries Compensation (Overseas) Scheme



Since 1979 the Ministry of Defence has operated a compensation scheme for service personnel and their accompanying dependants which makes payments to innocent victims of crimes of violence. The scheme covers those serving overseas and deliberately mirrors the scheme operated by the Ministry of Justice which compensates victims of crime in the UK. This ensures they and their families do not suffer a disadvantage as a result of service. Compared to civilian victims of crime

Further details can be sourced via:

[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/507473/CICO\\_Leaflet.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507473/CICO_Leaflet.pdf)

# What is The Armed Forces Independent Payment (AFIP)

This is a new benefit (effective 8 April 2013) introduced by the Ministry of Defence in conjunction with the Department for Work and Pensions and designed to provide financial support to service personnel and veterans seriously injured as a result of service to cover extra costs they may have as a result of their injury.

It is designed to ensure that individuals receive a holistic package of support rather than being assessed separately for different benefits (eg Personal Independence Payment, Disability Living Allowance and/or Attendance Allowance)

Further details can be sourced via:

[www.gov.uk/government/publications/faq-on-the-armed-forces-independent-payment](http://www.gov.uk/government/publications/faq-on-the-armed-forces-independent-payment)

# Private Insurance Payouts

The following private insurance schemes have been created especially for British Armed Forces and as such you may come across individuals who still have such a product or (in respect of some of the products) have received a payout. Such schemes are optional and do not affect entitlements under the Armed Forces Pensions or Compensation Schemes

## **PAX Insurance**

The PAX personal accident plan with optional life and critical illness is arranged under contract with the MOD. Pax Insurance is a trading name of AON UK Ltd. Cover can be extended/transferred to a new plan on leaving HM Forces

## **Service Life Insurance (SLI)**

Specialist military life insurance arranged under contract with the MOD – cover maintained for duration of policy and after leaving HM Forces,

# Personal Injury Trusts (1)

## What is a personal injury trust?

Personal injury trusts go by many names, such as ‘special needs trusts’, ‘trusts for disabled people’ and ‘compensation protection trusts’. They take different forms – bare trusts, life interest trusts, discretionary trusts – but whatever the label and whatever form it may take, any trust funded by compensation for personal injury is a personal injury trust.

Personal injury in this context is widely defined – as well as physical injuries, it can include both physical and mental diseases. Compensation is similarly widely defined, including lump sum gratuities under the War Pensions schemes and payments from the Armed Forces Compensation Scheme.

There is no limit on the amount that can be placed into a personal injury trust.

# Personal Injury Trusts (2)

## Why a personal injury trust?

The main purpose of a personal injury trust is to preserve a claimant's entitlement to means-tested state benefits and other means-tested support and care. Sums held in personal injury trusts are disregarded in the assessment of eligibility for means-tested benefits.

Since The Social Security (Miscellaneous Amendments (No.4)) Regulations 2006 came into force on 2 October 2006, any personal injury compensation received by a claimant, or his or her partner, will be disregarded for means-tested benefits purposes for a period of 52 weeks, beginning on the day the claimant first received the personal injury payment.

Although the benefits agency will usually give up to 52 weeks from when the claimant first receive either an interim or final settlement, it is often best practice to set up a Trust as soon as they receive their compensation.



# Capacity and Mental Health

# Implications of the Mental Capacity Act (MCA) 2005

When providing guidance, the Act and associated Code of Practice will provide some useful principles to consider:

1. A person must be assumed to have capacity unless it is established that they lack capacity.
2. A person is not to be treated as unable to make a decision unless all practicable steps to help him to do so have been taken without success.
3. A person is not to be treated as unable to make a decision merely because he makes an unwise decision.
4. An act done or a decision made, under this Act for, or on behalf of, a person who lacks capacity must be done, or made, in their best interests.
5. Before the act is done or the decision made, regard must be had as to whether the purpose for which it is needed can be as effectively achieved in a way that is less restrictive of a person's rights and freedom of action.

# Implications of the Mental Capacity Act (MCA) 2005

Should at some future point you agree to deliver regulated financial advice to someone who has received a pro-bono guidance session through Forces MoneyPlan, as with any other client, you will need to have due regard to the Mental Capacity Act Code of Practice as well as regulatory requirements to treat customers fairly and the principles of good practice set out by the Financial Conduct Authority.

Further details in respect of the MCA can be found via:

<https://www.gov.uk/government/collections/mental-capacity-act-making-decisions>

# Mental health support for the UK armed forces

## Serving personnel

- The uniformed and civilian medical and dental personnel from all three services are known collectively as the Defence Medical Services (DMS)
- Personnel can be treated for mental health problems by their medical officer in their unit medical centre, or referred to specialist mental healthcare services.
- 'Combat Stress/Rethink' offers a 24 hour free phone helpline to provide emotional support, a listening ear and signposting of services – Tel: 0800 138 1619
- Further details can be found online : [www.gov.uk/guidance/mental-health-support-for-the-uk-armed-forces](http://www.gov.uk/guidance/mental-health-support-for-the-uk-armed-forces)

## Veterans

- Discharged servicemen and women are able to access the DMS up to 6 months after leaving the armed forces.
- 'Help for Heroes Hidden Wounds' provides free and confidential support to Veterans, and their families who are suffering with anxiety, depression, stress, anger or alcohol abuse.

# The Veterans and Reserves Mental Health Programme

- The Veterans and Reserves Mental Health programme (VRMHP) provides assessment and treatment advice for veterans (who have deployed since 1982) and reserves who have been deployed overseas since 1 January 2003 as a reservist, and believe that their deployment may have affected their mental health.
- All veterans referred to the VRMHP will receive a full psychiatric assessment completed by a consultant psychiatrist; this assessment report is then sent on completion to the veteran's GP and if involved, the local mental health service, with advice on further treatment and care. Reserves whose condition is found to be operationally related and of a nature that can be treated within the resources of the Defence Medical Service (DMS) can access treatment in a MOD UK Department of Community Mental Health (DCMH) and will be offered out-patient treatment at a DCMH closest to where they live.
- Referrals for reservists and veterans should be directed to DCMH Colchester:  
Veterans and Reserve Mental Health programme, DCMH Colchester , Merville Barracks, Read Hall House, COLCHESTER Essex CO2 7UT

# Pensions, benefits and concessions for armed forces, veterans and families

# Pensions, Benefits and Concessions



<https://www.citizensadvice.org.uk/benefits/armed-forces-and-veterans/benefits-and-concessions-for-the-armed-forces-veterans-and-their-families/>

Citizens Advice provides a useful summary of benefits and concessions for armed forces, veterans and their families. This includes information in respect of:

- Benefits in the UK and abroad
- Council Tax relief
- Armed Forces pensions
- Help with school fees and childcare costs
- Free and reduced travel costs
- Forces discounts

# Serving Members Pensions

The Armed Forces Pension Scheme 2015 (AFPS 15) was introduced on 1 April 2015.

If a serving member of the armed forces (including the reserve forces) their pension will have been transferred to AFPS 15. This is unless they qualified for transitional protection, which meant they could stay with one of the previous schemes.

Further information in respect of AFPS 15 and all previous schemes are available via:

<https://www.gov.uk/government/publications/afps-2015-what-you-need-to-know>

Or

<https://www.gov.uk/government/publications/armed-forces-and-reserve-forces-pension-schemes-guidance-booklets>



# Veteran's Pensions

There are currently 3 Armed Forces Pension Schemes (AFPS) available to service leavers:

- [AFPS 75](#)
- [AFPS 05](#)
- [AFPS 15](#)

There are some fundamental differences between the schemes that cover both retired benefits and dependants benefits.

For further details (including compensation payments for injury and illness prior to 6 April 2005 known as 'Armed Forces Attributable Benefits') go to:

<https://www.gov.uk/guidance/pensions-and-compensation-for-veterans>

# Forces Pension Society

Founded in 1946, The **Forces Pension Society** is an independent, not-for-profit organisation that acts as the pension watchdog for the whole military community.

The Forces Pension Society can give advice about Armed Forces pensions. You can find out more information by contacting them at:



The Forces Pension Society  
68 South Lambeth Road  
London SW8 1RL

Telephone: 020 7820 9988  
Fax: 020 7820 7583  
Email: [memsec@forpen.co.uk](mailto:memsec@forpen.co.uk)  
Website: [www.forpen.org](http://www.forpen.org)

# The Motability Scheme

You may come across this scheme that provides help with leasing a car in exchange for the Armed Forces Independence Payment



<http://www.motability.co.uk/about-the-scheme/>

# Legal Representation

# Legal Representation

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# The Bigger Picture

# Future strategy



# The wider context







# FORCES MoneyPlan

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## Learning Outcomes

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