

Changes to the Armed Forces Compensation Scheme (AFCS) – Effective from August 2010

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The Armed Forces Compensation Scheme (AFCS) was recently reviewed by the former Chief of the Defence Staff, Admiral the Lord Boyce. The Review found that whilst the scheme is fundamentally sound, there were several areas where recommendations were made for improvement.

The majority of these improvements require detailed legislative amendment to the Scheme and will be implemented by February 2011. Some legislative changes arising from the Review can be made more quickly and will be effective from 3 August 2010.

These include:

- Extending the time-limits for injury claims from 5 to 7 years; The previous arrangements included a 5 year time limit in which personnel could make a claim. The extension of this time period to 7 years will provide more time for future claims as well as additional time for those that may wish to make a claim for compensation for an injury or illness that has arisen since the Scheme was introduced in 2005.
- Extending the time limits for bereavement claims from 1 to 3 years; The previous arrangements included a 1 year time limit in which a surviving spouse, civil partner or surviving adult could make a claim. This has now been extended to 3 years. Claims in respect of bereavements that occurred more than 3 years ago will also be considered for a period of one year from the date of the new legislation (3 Aug 10).
- An increase in the maximum level of Bereavement Grant payable in the future from £20,000 to £25,000 for Regular Service Personnel - to reflect the increase in Armed Forces pay since 2005.
- An increase in the maximum level of Bereavement Grant for Reservists who are not members of a reserve forces pension scheme, to £37,500 to help bring their benefits in line with those applicable to Regular Service Personnel; and
- An uplift of the majority of awards for hearing loss by one Tariff level

Those considering or currently in the process of making a claim, should continue although entitlements will reflect existing arrangements. The MOD will however revisit all claims made up to June 2012 to ensure all claimants receive an uplift to reflect the changes from the review. This process will begin after all recommendations have been put into legislation.

It is expected that the first of the additional payments will be made by summer 2011, with all payments made by June 2012. Previous claimants will be contacted by the Service Personnel and Veterans Agency (SPVA) between June 2011 & June 2012 to discuss their increased payment. Personnel do not need to take any action.