

## The context


- Some veterans and their families can be exposed to financial instability when transitioning from the UK Armed Forces (AF). This can mean that they have less money to spend on themselves and in the wider economy. Financial stress can be associated with — and lead to — wider health, family, and social repercussions.
- In support terms, this implies a cost to not just the state, but also often to family members who have to assist and care for unemployed or injured/ill veterans. This also means that the government receives less in taxes from these families whose incomes are reduced.
- Financial stress can also cause families to breakdown, potentially leading to homelessness and additional social and financial costs. This might also drive some veterans to substance abuse and criminal activity, possibly also creating health issues. Other financial problems might also emerge, such as gambling.
- The estimated annual financial cost of such financial issues among veterans and their families in the UK, as far as they can be measured, may amount to £110 million by the end of 2020; but this figure does not include the less easily counted personal, family, and other costs to wider society.

## Causes and solutions


- Those leaving can be unprepared for the extra demands of budgeting in civilian life. Traditionally costly items, such as accommodation, are subsidised while serving, and any payment for them is deducted directly from salaries. This can create little opportunity and incentive for serving personnel to develop financial awareness and savings ready for a future beyond the AF.
- Information and briefings on financial matters are available to those leaving the UK AF and their family members. In spite of this, some leaving felt they were not adequately prepared for the financial challenges in returning to civilian life. As a result, the Ministry of Defence (MOD) is reviewing this provision, but significant changes are unlikely to be implemented before October 2021.


## Pensions and compensation


- On joining the AF full-time, all members are enrolled into the Armed Forces Pension Scheme (AFPS), with entitlements paid to qualifying dependants upon a serving member of the AF or veteran's death.
- If injured or becoming sick as a result of military work, these pension benefits can be accompanied by Armed Forces Compensation Scheme (AFCS) payments.


 Pension benefits can also potentially be accompanied by [Armed Forces Independence Payments](#) (AFIP) for injuries or illnesses occurring after 6 April 2005, designed to help claimants avoid the assessment process associated with the government's [Personal Independence Payments](#) (PIP).

### State benefits


 Veterans and their dependants can access a range of statutory financial help if needed, including to assist in job-seeking and to offer support in cases of ill health. [Research](#) shows that unemployment benefit is more widely claimed than for disabilities, but in both cases, it is those that leave with a lower rank, are male, with shorter periods of service, formerly in the Army, with a history of illness/injury (including mental health issues), previous history of claims and adverse childhood experiences who are most often in receipt of these benefits.


 While it was also found that veterans do not appear at higher risk of benefit claims than the general population, efforts to reduce reliance on this state support were recommended to focus on the above groups.

 [Recent research](#) also recommended that the MOD should offer greater and clearer benefits-related guidance to those leaving the AF to help them navigate these complex processes, which is being met through the development of a suite of educational packages.


 Help for veterans can also be provided by local authorities, in keeping with their commitments to the [Armed Forces Covenant](#). Such commitments include ensuring that a well-informed single point of contact is established in all governmental offices providing support to veteran benefits claimants and jobseekers, along with the availability of an '[Armed Forces Champion](#)' in each 'Jobcentre Plus District' to ease the access and assessment process for the AF community.

### Housing and educational assistance

 Despite the existence of in-Service schemes, [research](#) indicates more needs to be done to assist the acquisition of private or publicly funded local authority housing among the AF community.

 A number of in-Service [schemes](#) are also available to assist serving personnel in accessing and funding educational and training courses while serving, while other financial packages are extended to veterans and their dependents.

### Gambling

 [Research](#) also concluded that veterans are at greater risk of gambling-related problems than non-veterans, recommending that further research is needed to understand the causes.