

## MOD fined £50K

By Pippa Stephens | 02 September 2012 |

The Ministry of Defence (MOD) has been fined for failing to pay a Royal Air Forces (RAF) wing commander his correct pension for five years.

The MOD was instructed to pay Mr Musgrave £51,775 after it confused pension payments and did not allow for transfer of benefits.

It originally offered the 66-year-old £28,460 per year when he had achieved the maximum 34 years' service at the time of his retirement in 2002.

But the MOD said the payment would decrease to £14,319 a year as he was invalided from service due to an injury.

Musgrave transferred between two of the armed force's schemes.

Detail in one of the armed forces' schemes stated an officer in this position should be awarded a Service Attributable Retired Pay (SAP).

But the MOD did not award him this, on the basis of administrative arrangements.

Problems around transfers, ill health benefits, contracting out of state pension and conflicting communication from the organisation ensued.

Musgrave said he was "most distressed" by the way the MOD handled his case and the organisation said he should "count himself lucky" for his pension.

He criticised the MOD for not providing evidence to back up its decisions.

Deputy ombudsman, Jane Irving, said: "Mr Musgrave is entitled to distress and inconvenience which he has suffered as a result of this matter."

She said the MOD had delayed dealing with his complaint and sent Musgrave confusing information about his entitlement.

She said decisions by the organisation were "improperly made and cannot stand".

Jennie Kreser, partner at Silverman Sherliker, said: "This case seems a perfect example of the structure of a scheme or schemes being so complex, even those with the responsibility for running it failed to fully appreciate what it actually provided."

"Overall, a fair decision seems to have been reached."