

Pension Factsheet 8

AVC's



Are you in the Local Government Pension Scheme (LGPS) and thinking about your retirement? Are there any ways that you can save for more pension provision? We hope that this factsheet will answer some of your questions on AVCs.

What is an AVC?

An AVC or Additional Voluntary Contribution is a way of saving for extra pension for your retirement. It is paid out at the same time as your local government pension.



How does it work?

You have a choice of funds to invest in - Building Society, With Profits and a Managed Fund.

By investing your money in one or all of these funds you will have a lump sum when you retire to buy extra pension provision.

How much can I pay?

You can contribute up to 50% of your salary in AVCs if you wish. You will not be taxed on any pension contributions. AVCs are also very flexible because you can vary the amount you contribute and change your investments whenever you like. You can also use some of your AVC fund or perhaps all, as a tax free lump sum.

Is there any other way I can make extra pension provision?

You can buy up to £5000 additional annual pension from the LGPS. Please refer to our additional pension factsheet.

What is the difference between an "in house" AVC and a "free standing AVC"?

We operate an "in house" AVC scheme with Prudential. The charges they make are much lower than a free-standing AVC because we have negotiated cheaper costs for Local Government Scheme members. A free-standing AVC is a private arrangement between you and the insurance company of your choice. The administration charges would probably be higher.

What do I do next?

Please visit our website for more detailed information about the Prudential's group AVC plan and an application form www.wiltshirepensionfund.org.uk

Need any more help?

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