



Will your pension savings be enough for your retirement?



When you received your annual statement, did you review the benefits you have built up? Now is a good time to consider the options available to you to help boost those benefits.

Your Local Government Pension Scheme (LGPS) gives you the option to make Additional Voluntary Contributions (AVCs), which are an integral part of your LGPS scheme. AVCs are a highly tax-efficient way to save for your retirement. Building up an additional pension pot alongside your main scheme pension, could help you realize the retirement you want. You could retire early from age 55, reduce your hours or retire with more money. And the new Freedom and Choice pension legislation provides you with further ways to take your AVC.



Great reasons to start an AVC?

1. 100% Tax-free cash lump sum

Your AVC grows largely tax-free, boosting the amount you have when you come to retire. If you draw your AVC at the same time as your LGPS pension, you will be able to take your AVC as a 100% tax-free cash lump sum (as long as your total lump sums from the LGPS do not exceed 25% of the combined value of your benefits including your AVC fund). You must take your benefits by age 75.

2. Help from the taxman

By paying into an AVC, you automatically qualify for tax relief. For every £100 a month you save into your plan, the actual cost to you will only be £80, if you pay tax at the basic rate. If you pay at the higher rate, the actual cost will only be £60. Remember, tax relief means the money the taxman would normally take from your salary goes straight into your AVC plan instead. This is how tax relief on your AVC works and is subject to tax limits.

Tax benefits are based on our understanding, as at May 2015 of current taxation, legislation, HM Revenue & Customs practice and your LGPS scheme rules, all liable to change without notice. The impact of taxation (and any tax reliefs) depends on individual circumstances.

3. Choice of payments - putting you in control

Your regular contributions come from your salary, so it is easy for you to start, increase or decrease your AVC payments. You can do this online or call one of our Retirement Specialists, there are no forms or direct debits required. You can also make additional lump-sum contributions. If you decrease your payments or even decide to stop them this will affect how much you may have when you retire. If you stop your payments, charges will still apply.

4. Choose your AVC fund

You have a range of investment funds to choose from depending upon your attitude to risk. For more information on investments, go to www.pru.co.uk/localgov and read the 'Guide to fund options' brochure.

Like all investments, there is potential risk and so your investment can go down as well as up in value and is not guaranteed. You may not get back the full amount of your original investment. What you get back will depend on the fund(s) chosen and how it performs.

5. Guaranteed Income for Life

You can use some, or all of your AVC pot to provide a guaranteed regular taxable income for the rest of your life – in addition to your main scheme pension. You decide what you want to do when taking your LGPS benefits. Pension income in retirement is taxed as earned income.

6. New pensions 'Freedom and Choice'

New legislation allows you to have even greater choice and control over how and when you take your AVC. You can access your AVC benefits flexibly, by transferring your AVC pot from age 55 (without having to take your LGPS pension) to another product. We recommend you get guidance or advice to help you with this decision. Pension Wise is a new service from the Government that will offer free and impartial guidance. It also contains details on where to find and adviser. Visit www.pensionwise.gov.uk.

Take action today

- › To help you start, go online to www.pru.co.uk/lgpsinsert. Our online website is secure, convenient and easy to use, and provides you with all the information you need to make an informed choice.
- › Call **0800 012 1378** and one of our UK based Retirement Consultants will guide you through the process. When you call please have a copy of your current payslip.

Our UK based Retirement Consultants are here to help you make an informed decision by providing you with information, however, they cannot provide you with financial advice.

Lines open Monday to Friday between 9am and 6pm.

Do you already have an AVC?

It is important that you regularly review the level of contributions that you are making and your investment choices. Are you on track to achieve your retirement goals? Remember, the taxman helps you with every contribution you make so the more you save into your AVC, the more tax you will save, up to certain limits.

You can now increase your AVC anytime you want online and it takes only minutes to complete. Go online today at www.pru.co.uk/lgpsinsert and see for yourself.

Or call our UK based Retirement Specialists Team to top-up on **0800 012 1378**.

Lines open Monday to Friday between 9am and 6pm.

Your LGPS also offers you Additional Pension Contributions, as an alternative to AVCs. For more information, please contact your scheme administrator.