

# London Borough of Hackney

**2018 Prudential AVC support**

# LGPS and Prudential -in partnership since 1988

- Prudential provide
  - AVC administration services
  - Investment options
  - Employee engagement services

UK-wide team helping thousands of Local Government employees understand how they could potentially save more for their future

Working with 74 of 99 Local Government Pension Funds

One of the leading AVC providers in the UK

# **Our communications suite**

# LGPS communications suite

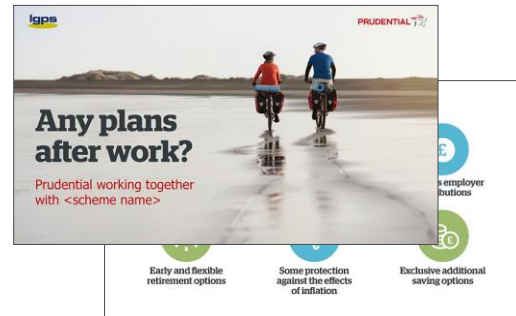
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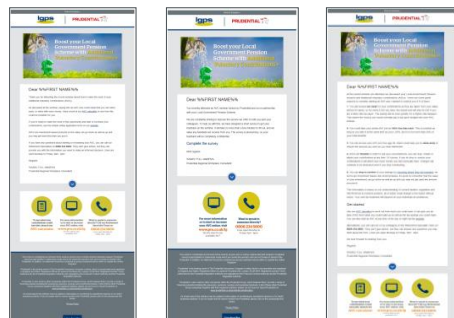
## Website



## Presentation



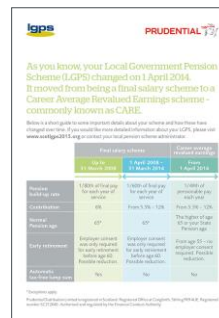
## Emails



## Posters



## Presentation handouts



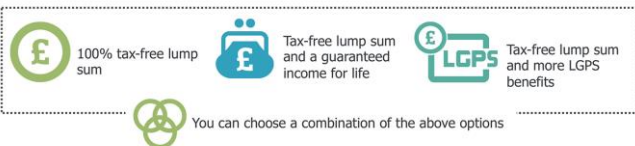
As AVCs are investment based, employees capital may be at risk

# Onsite - Presentations

# LGPS presentation

## Flexible ways to take your money

From age 55, the options available under the LGPS include:



Depending on your circumstances, you may need to transfer your AVC to access some of these options.

Pension Wise website: [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk) Pension Wise telephone: 0800 66 66 66

## The Local Government Pension Scheme



Security



Peace of mind



Generous employer contributions



Income protection against the effects of inflation



Exclusive additional saving options

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## Any plans after work?

Prudential working together with <scheme name>

# LGPS presentation handouts

**lgps** **PRUDENTIAL**

## Like to retire early - or with more money?



Let us help you find out how

### Additional Voluntary Contributions (AVCs) are a efficient way to save for your retirement.

By putting an additional pot alongside your Local Government Pension Scheme (LGPS) you could potentially help you to retire early, or with more money - whichever you prefer.

### How much should I consider?

It's up to you to decide how much you want to contribute. You can contribute as little as you like, or as much as you would like, subject to the limits.

Contributions can be easily increased or decreased. If your personal circumstances change, your contribution can too. You also have the option of making a one-off contribution.

Stopping or reducing contributions could affect the benefits you receive when you retire. If contributions are stopped then they will not continue to be deducted.

### Tax-efficient saving

AVCs allow you to save for your retirement in a tax-efficient way. The contributions you make are deducted from your salary before tax is paid on them.

### Where do I find out more?

Visit [www.pru.co.uk/yourpension](http://www.pru.co.uk/yourpension) to access a number of facts and information which can help you to decide which fund is right for you.

### How do I take my AVC?

The way you pay depends on your individual circumstances. 140 Revenue & Customs tax rules may change in the future.

If you don't pay, you can take an alternative pension savings vehicle may be more appropriate for you.

### How do I decide where to invest?

Deciding where to invest your savings can seem daunting, but it doesn't have to be. Your scheme has selected a range of funds for you to choose from, and you can choose one or more of these funds to suit your individual circumstances. Please remember the value of the investments can go down as well as up and you may not get back all you have invested.

Options: There are a couple of different income options available to you. If you are aged 55 or over, you can choose to take your money out as a lump sum or as a series of regular payments.

Another step closer to the retirement you want  
0800 234 6916  
[www.pru.co.uk/yourpension](http://www.pru.co.uk/yourpension)



### How do I get started?

#### Online

You can start an AVC by visiting [www.pru.co.uk/yourpension](http://www.pru.co.uk/yourpension), where you can begin saving in three steps.

1. Decide how much you would like to contribute. Here you can find information about AVCs, and how to help you decide how much you would like to save. Try the AVC calculator to see how much different contributions could add up to over time.

2. Select your fund(s). View the range of funds available to you and make your choice.

3. Get started saving the online form. You can start an AVC online at any time. We provide you with the relevant information you need and it only takes minutes to complete the form.

#### Phone

You can also start or increase your AVC by calling a member of Prudential's Retirement Specialist Team who are based in Reading and are knowledgeable about your scheme. They cannot give advice or make a recommendation, but they can provide you with information you will need to make a decision.

Call 0800 234 6916 and one of our retirement specialists can help you to start your AVC over the phone.

Lines are open Monday to Friday between 9am and 5pm.

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Registered Office at Glasgow, 100, 101 & 102, 103, 104 & 105, 106, 107 & 108, 109 & 110, 111 & 112, 113 & 114, 115 & 116, 117 & 118, 119 & 120, 121 & 122, 123 & 124, 125 & 126, 127 & 128, 129 & 130, 131 & 132, 133 & 134, 135 & 136, 137 & 138, 139 & 140, 141 & 142, 143 & 144, 145 & 146, 147 & 148, 149 & 150, 151 & 152, 153 & 154, 155 & 156, 157 & 158, 159 & 160, 161 & 162, 163 & 164, 165 & 166, 167 & 168, 169 & 170, 171 & 172, 173 & 174, 175 & 176, 177 & 178, 179 & 180, 181 & 182, 183 & 184, 185 & 186, 187 & 188, 189 & 190, 191 & 192, 193 & 194, 195 & 196, 197 & 198, 199 & 200, 201 & 202, 203 & 204, 205 & 206, 207 & 208, 209 & 210, 211 & 212, 213 & 214, 215 & 216, 217 & 218, 219 & 220, 221 & 222, 223 & 224, 225 & 226, 227 & 228, 229 & 230, 231 & 232, 233 & 234, 235 & 236, 237 & 238, 239 & 240, 241 & 242, 243 & 244, 245 & 246, 247 & 248, 249 & 250, 251 & 252, 253 & 254, 255 & 256, 257 & 258, 259 & 260, 261 & 262, 263 & 264, 265 & 266, 267 & 268, 269 & 270, 271 & 272, 273 & 274, 275 & 276, 277 & 278, 279 & 280, 281 & 282, 283 & 284, 285 & 286, 287 & 288, 289 & 290, 291 & 292, 293 & 294, 295 & 296, 297 & 298, 299 & 300, 301 & 302, 303 & 304, 305 & 306, 307 & 308, 309 & 310, 311 & 312, 313 & 314, 315 & 316, 317 & 318, 319 & 320, 321 & 322, 323 & 324, 325 & 326, 327 & 328, 329 & 330, 331 & 332, 333 & 334, 335 & 336, 337 & 338, 339 & 340, 341 & 342, 343 & 344, 345 & 346, 347 & 348, 349 & 350, 351 & 352, 353 & 354, 355 & 356, 357 & 358, 359 & 360, 361 & 362, 363 & 364, 365 & 366, 367 & 368, 369 & 370, 371 & 372, 373 & 374, 375 & 376, 377 & 378, 379 & 380, 381 & 382, 383 & 384, 385 & 386, 387 & 388, 389 & 390, 391 & 392, 393 & 394, 395 & 396, 397 & 398, 399 & 400, 401 & 402, 403 & 404, 405 & 406, 407 & 408, 409 & 410, 411 & 412, 413 & 414, 415 & 416, 417 & 418, 419 & 420, 421 & 422, 423 & 424, 425 & 426, 427 & 428, 429 & 430, 431 & 432, 433 & 434, 435 & 436, 437 & 438, 439 & 440, 441 & 442, 443 & 444, 445 & 446, 447 & 448, 449 & 450, 451 & 452, 453 & 454, 455 & 456, 457 & 458, 459 & 460, 461 & 462, 463 & 464, 465 & 466, 467 & 468, 469 & 470, 471 & 472, 473 & 474, 475 & 476, 477 & 478, 479 & 480, 481 & 482, 483 & 484, 485 & 486, 487 & 488, 489 & 490, 491 & 492, 493 & 494, 495 & 496, 497 & 498, 499 & 500, 501 & 502, 503 & 504, 505 & 506, 507 & 508, 509 & 510, 511 & 512, 513 & 514, 515 & 516, 517 & 518, 519 & 520, 521 & 522, 523 & 524, 525 & 526, 527 & 528, 529 & 530, 531 & 532, 533 & 534, 535 & 536, 537 & 538, 539 & 540, 541 & 542, 543 & 544, 545 & 546, 547 & 548, 549 & 550, 551 & 552, 553 & 554, 555 & 556, 557 & 558, 559 & 560, 561 & 562, 563 & 564, 565 & 566, 567 & 568, 569 & 570, 571 & 572, 573 & 574, 575 & 576, 577 & 578, 579 & 580, 581 & 582, 583 & 584, 585 & 586, 587 & 588, 589 & 590, 591 & 592, 593 & 594, 595 & 596, 597 & 598, 599 & 600, 601 & 602, 603 & 604, 605 & 606, 607 & 608, 609 & 610, 611 & 612, 613 & 614, 615 & 616, 617 & 618, 619 & 620, 621 & 622, 623 & 624, 625 & 626, 627 & 628, 629 & 630, 631 & 632, 633 & 634, 635 & 636, 637 & 638, 639 & 640, 641 & 642, 643 & 644, 645 & 646, 647 & 648, 649 & 650, 651 & 652, 653 & 654, 655 & 656, 657 & 658, 659 & 660, 661 & 662, 663 & 664, 665 & 666, 667 & 668, 669 & 670, 671 & 672, 673 & 674, 675 & 676, 677 & 678, 679 & 680, 681 & 682, 683 & 684, 685 & 686, 687 & 688, 689 & 690, 691 & 692, 693 & 694, 695 & 696, 697 & 698, 699 & 700, 701 & 702, 703 & 704, 705 & 706, 707 & 708, 709 & 710, 711 & 712, 713 & 714, 715 & 716, 717 & 718, 719 & 720, 721 & 722, 723 & 724, 725 & 726, 727 & 728, 729 & 730, 731 & 732, 733 & 734, 735 & 736, 737 & 738, 739 & 740, 741 & 742, 743 & 744, 745 & 746, 747 & 748, 749 & 750, 751 & 752, 753 & 754, 755 & 756, 757 & 758, 759 & 760, 761 & 762, 763 & 764, 765 & 766, 767 & 768, 769 & 770, 771 & 772, 773 & 774, 775 & 776, 777 & 778, 779 & 780, 781 & 782, 783 & 784, 785 & 786, 787 & 788, 789 & 790, 791 & 792, 793 & 794, 795 & 796, 797 & 798, 799 & 800, 801 & 802, 803 & 804, 805 & 806, 807 & 808, 809 & 810, 811 & 812, 813 & 814, 815 & 816, 817 & 818, 819 & 820, 821 & 822, 823 & 824, 825 & 826, 827 & 828, 829 & 830, 831 & 832, 833 & 834, 835 & 836, 837 & 838, 839 & 840, 841 & 842, 843 & 844, 845 & 846, 847 & 848, 849 & 850, 851 & 852, 853 & 854, 855 & 856, 857 & 858, 859 & 860, 861 & 862, 863 & 864, 865 & 866, 867 & 868, 869 & 870, 871 & 872, 873 & 874, 875 & 876, 877 & 878, 879 & 880, 881 & 882, 883 & 884, 885 & 886, 887 & 888, 889 & 890, 891 & 892, 893 & 894, 895 & 896, 897 & 898, 899 & 900, 901 & 902, 903 & 904, 905 & 906, 907 & 908, 909 & 910, 911 & 912, 913 & 914, 915 & 916, 917 & 918, 919 & 920, 921 & 922, 923 & 924, 925 & 926, 927 & 928, 929 & 930, 931 & 932, 933 & 934, 935 & 936, 937 & 938, 939 & 940, 941 & 942, 943 & 944, 945 & 946, 947 & 948, 949 & 950, 951 & 952, 953 & 954, 955 & 956, 957 & 958, 959 & 960, 961 & 962, 963 & 964, 965 & 966, 967 & 968, 969 & 970, 971 & 972, 973 & 974, 975 & 976, 977 & 978, 979 & 980, 981 & 982, 983 & 984, 985 & 986, 987 & 988, 989 & 990, 991 & 992, 993 & 994, 995 & 996, 997 & 998, 999 & 1000.

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As you know, your Local Government Pension Scheme (LGPS) changed on 1 April 2014.

It moved from being a final salary scheme to a Career Average Revalued Earnings scheme - commonly known as CARE.

Below is a short guide to some important details about your scheme and how these have changed over time. If you would like more detailed information about your LGPS, please visit [www.scotlgps2015.org](http://www.scotlgps2015.org) or contact your local pension scheme administrator.


	Final salary scheme		Career average revalued earnings
	Before 1 March 2008	1 April 2008 - 31 March 2014	From 1 April 2014
Pension build-up rate	1/80th of final pay for each year of service	1/80th of final pay for each year of service	1/80th of pensionable pay each year
Contribution	6%	From 5.5% - 12%	From 5.5% - 12%
Normal Pension age	65*	65*	The higher of age 65 or your State Pension age
Early retirement	Employer consent was only required for early retirement before age 60. Possible reduction.	Employer consent was only required for early retirement before age 60. Possible reduction.	From age 55 - no employer consent required. Possible reduction.
Automatically test free lump sum	Yes	No	No

\* Exceptions apply. Prudential Distribution Limited is registered in Scotland. Registered Office at Glasgow, 100, 101 & 102, 103, 104 & 105, 106, 107 & 108, 109 & 110, 111 & 112, 113 & 114, 115 & 116, 117 & 118, 119 & 120, 121 & 122, 123 & 124, 125 & 126, 127 & 128, 129 & 130, 131 & 132, 133 & 134, 135 & 136, 137 & 138, 139 & 140, 141 & 142, 143 & 144, 145 & 146, 147 & 148, 149 & 150, 151 & 152, 153 & 154, 155 & 156, 157 & 158, 159 & 160, 161 & 162, 163 & 164, 165 & 166, 167 & 168, 169 & 170, 171 & 172, 173 & 174, 175 & 176, 177 & 178, 179 & 180, 181 & 182, 183 & 184, 185 & 186, 187 & 188, 189 & 190, 191 & 192, 193 & 194, 195 & 196, 197 & 198, 199 & 200, 201 & 202, 203 & 204, 205 & 206, 207 & 208, 209 & 210, 211 & 212, 213 & 214, 215 & 216, 217 & 218, 219 & 220, 221 & 222, 223 & 224, 225 & 226, 227 & 228, 229 & 230, 231 & 232, 233 & 234, 235 & 236, 237 & 238, 239 & 240, 241 & 242, 243 & 244, 245 & 246, 247 & 248, 249 & 250, 251 & 252, 253 & 254, 255 & 256, 257 & 258, 259 & 260, 261 & 262, 263 & 264, 265 & 266, 267 & 268, 269 & 270, 271 & 272, 273 & 274, 275 & 276, 277 & 278, 279 & 280, 281 & 282, 283 & 284, 285 & 286, 287 & 288, 289 & 290, 291 & 292, 293 & 294, 295 & 296, 297 & 298, 299 & 300, 301 & 302, 303 & 304, 305 & 306, 307 & 308, 309 & 310, 311 & 312, 313 & 314, 315 & 316, 317 & 318, 319 & 320, 321 & 322, 323 & 324, 325 & 326, 327 & 328, 329 & 330, 331 & 332, 333 & 334, 335 & 336, 337 & 338, 339 & 340, 341 & 342, 343 & 344, 345 & 346, 347 & 348, 349 & 350, 351 & 352, 353 & 354, 355 & 356, 357 & 358, 359 & 360, 361 & 362, 363 & 364, 365 & 366, 367 & 368, 369 & 370, 371 & 372, 373 & 374, 375 & 376, 377 & 378, 379 & 380, 381 & 382, 383 & 384, 385 & 386, 387 & 388, 389 & 390, 391 & 392, 393 & 394, 395 & 396, 397 & 398, 399 & 400, 401 & 402, 403 & 404, 405 & 406, 407 & 408, 409 & 410, 411 & 412, 413 & 414, 415 & 416, 417 & 418, 419 & 420, 421 & 422, 423 & 424, 425 & 426, 427 & 428, 429 & 430, 431 & 432, 433 & 434, 435 & 436, 437 & 438, 439 & 440, 441 & 442, 443 & 444, 445 & 446, 447 & 448, 449 & 450, 451 & 452, 453 & 454, 455 & 456, 457 & 458, 459 & 460, 461 & 462, 463 & 464, 465 & 466, 467 & 468, 469 & 470, 471 & 472, 473 & 474, 475 & 476, 477 & 478, 479 & 480, 481 & 482, 483 & 484, 485 & 486, 487 & 488, 489 & 490, 491 & 492, 493 & 494, 495 & 496, 497 & 498, 499 & 500, 501 & 502, 503 & 504, 505 & 506, 507 & 508, 509 & 510, 511 & 512, 513 & 514, 515 & 516, 517 & 518, 519 & 520, 521 & 522, 523 & 524, 525 & 526, 527 & 528, 529 & 530, 531 & 532, 533 & 534, 535 & 536, 537 & 538, 539 & 540, 541 & 542, 543 & 544, 545 & 546, 547 & 548, 549 & 550, 551 & 552, 553 & 554, 555 & 556, 557 & 558, 559 & 560, 561 & 562, 563 & 564, 565 & 566, 567 & 568, 569 & 570, 571 & 572, 573 & 574, 575 & 576, 577 & 578, 579 & 580, 581 & 582, 583 & 584, 585 & 586, 587 & 588, 589 & 590, 591 & 592, 593 & 594, 595 & 596, 597 & 598, 599 & 600, 601 & 602, 603 & 604, 605 & 606, 607 & 608, 609 & 610, 611 & 612, 613 & 614, 615 & 616, 617 & 618, 619 & 620, 621 & 622, 623 & 624, 625 & 626, 627 & 628, 629 & 630, 631 & 632, 633 & 634, 635 & 636, 637 & 638, 639 & 640, 641 & 642, 643 & 644, 645 & 646, 647 & 648, 649 & 650, 651 & 652, 653 & 654, 655 & 656, 657 & 658, 659 & 660, 661 & 662, 663 & 664, 665 & 666, 667 & 668, 669 & 670, 671 & 672, 673 & 674, 675 & 676, 677 & 678, 679 & 680, 681 & 682, 683 & 684, 685 & 686, 687 & 688, 689 & 690, 691 & 692, 693 & 694, 695 & 696, 697 & 698, 699 & 700, 701 & 702, 703 & 704, 705 & 706, 707 & 708, 709 & 710, 711 & 712, 713 & 714, 715 & 716, 717 & 718, 719 & 720, 721 & 722, 723 & 724, 725 & 726, 727 & 728, 729 & 730, 731 & 732, 733 & 734, 735 & 736, 737 & 738, 739 & 740, 741 & 742, 743 & 744, 745 & 746, 747 & 748, 749 & 750, 751 & 752, 753 & 754, 755 & 756, 757 & 758, 759 & 760, 761 & 762, 763 & 764, 765 & 766, 767 & 768, 769 & 770, 771 & 772, 773 & 774, 775 & 776, 777 & 778, 779 & 780, 781 & 782, 783 & 784, 785 & 786, 787 & 788, 789 & 790

# Post presentation emails 1 – 3

View in browser »

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## Boost your Local Government Pension Scheme with **Additional Voluntary Contributions** »

Dear %%FIRST NAME%%

Thank you for attending the recent seminar about how to make the most of your Additional Voluntary Contributions (AVCs).

As discussed at the seminar, paying into an AVC now could mean that you can retire early, or retire with more money. Have a look at our [AVC calculator](#) to see how this could be possible for you.

If you're ready to make the most of this opportunity and start or increase your contributions, use the simple online application form on our website.


AVCs are investment based products so the value can go down as well as up and you may get back less than you put in.

If you have any questions about starting or increasing your AVC, you can call our Retirement Specialists on **0800 234 5800**. They can't give advice, but they can provide you with the information you need to make an informed decision. Lines are open Monday to Friday, 9am - 6pm.


Regards

%%NAME FULL NAME%%  
Prudential Regional Workplace Consultant


View in browser »



To see what your contributions could have been, search our **AVC calculator**



For more information or to start or increase your AVC online, visit **[www.pru.co.uk/lg](http://www.pru.co.uk/lg)**




Want to speak to someone directly? Call our Retirement Specialist Team on **0800 234 5800**

Lines open Monday to Friday, 9am - 6pm.

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## Boost your Local Government Pension Scheme with **Additional Voluntary Contributions** »

Dear %%FIRST NAME%%

You recently attended an AVC seminar hosted by Prudential and run in partnership with your Local Government Pension Scheme.


We are constantly striving to improve the service we offer to both you and your colleagues. To help us with this, we have designed a short survey to get your feedback on the seminar. It will take no more than a few minutes to fill out, and we value any feedback we receive from you. The survey is anonymous, so your feedback will be completely confidential.

**Complete the survey**


Kind regards

%%NAME FULL NAME%%  
Prudential Regional Workplace Consultant

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For more information or to start or increase your AVC online, visit **[www.pru.co.uk/lg](http://www.pru.co.uk/lg)**




Want to speak to someone directly? Call our Retirement Specialist Team on **0800 234 5800**

Lines open Monday to Friday, 9am - 6pm.

This email is confidential and should not be used by anyone who is not the original intended recipient. Prudential cannot accept liability for statements made which are clearly the sender's own and not made on behalf of the Prudential. In addition, no statement should be construed as giving investment advice within or outside the United Kingdom.

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## Boost your Local Government Pension Scheme with **Additional Voluntary Contributions** »

Dear %%FIRST NAME%%

At the recent seminar you attended we discussed your Local Government Pension Scheme and Additional Voluntary Contributions (AVCs). There are some great reasons to consider starting an AVC and I wanted to remind you of 5 of them:

1. You will receive **tax relief** on your contributions as they are taken from your salary before it's taxed, so for every £1000 you save, the actual cost will only be £300 if you are a basic rate taxpayer. This saving will be even greater for a higher rate taxpayer. This means the money you would normally pay in tax goes straight into your AVC instead.
2. You could take your whole AVC pot as **100% tax-free cash**. This is possible as long as you take it at the same time as your LGPS, and it's not more than 25% of your total benefits.
3. You can access your AVC pot from age 55, which could help you to **retire early** or reduce the amount you work as you near retirement.
4. AVCs are **flexible** in order to suit your circumstances, you can stop, restart or adjust your contributions at any time. Of course, if you do stop or reduce your contributions it will affect how much money you will eventually have. Charges will continue to be deducted even if you stop contributing.
5. You can **stay in control** of your savings by **choosing where they are invested**. As AVCs are investment based, like most pensions, it's good to remember that the value of your investment can go down as well as up and you may not get back the amount you put in.

This information is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which could change in the future without notice. Your own tax treatment will depend on your individual circumstances.

**Get started**

Use our **AVC calculator** to work out how much you could save, it can give you an idea of the fund value you could build up as well as the tax savings you could make. You can also start an AVC at any time of the day or night via the [website](#).

Alternatively, you can call one of my colleagues in the Retirement Specialist Team on **0800 234 5800**. They can't give advice, but they can answer any questions you may have about the AVC. Lines are open Monday to Friday, 9am - 6pm.



# Presentation booking process

- 1 Employer books room(s) for presentation and individual meetings
- 2 Employer gives Prudential the details – date, times available, address, capacity
- 3 Prudential creates a pre-populated invite which is sent to employers
- 4 Employer sends invite to employees with link to Prudential's presentation registration tool
- 5 Employee registers
- 6 Prudential confirms presentation details to employee
- 7 Prudential sends 2 reminders to employees
- 8 Prudential presents to your employees
- 9 Prudential holds 1 to 1 meetings with employees
- 10 Prudential sends a suite of follow up emails which includes a customer survey to all registered presentation attendees

## Feedback comments

Up until this presentation I didn't have much of an understanding of my pension or AVCs but afterwards I felt the subject was demystified.

The presentation was clear and concise; and was very helpful in assisting with my decision to start an AVC.

It's the first time I have understood pension provisions. I'm 59! Presentation should be given to everyone when starting their pension.

Explaining how you could increase your AVC contribution and the tax effect was well explained.

**Online & on the  
phone - other  
communications**

# Communication examples

## Newsletter articles

  
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### AVCs

Long version

#### How much will you have when you retire?

Workplace pension schemes such as the Local Government Pension Scheme (LGPS) are a good way to build up funds towards your retirement. If you're already a member of the LGPS then you can sit back smugly with your feet up knowing your retirement plans are taken care of... But hang on a minute before you settle back into that hammock – do you know how much you'll be getting to live on when you retire? Or how much you might need?

It's helpful to keep track of the retirement pot you've got so far, and what you might have in future. You'll receive an annual statement from your pension scheme and we encourage you to look at this as it shows where you are on target to receive a retirement. You may need to save more than you think to achieve the lifestyle you'd like in retirement. You can check how much you might need with Prudential's handy, easy to use online calculators at [www.pru.co.uk/avc-calculator](http://www.pru.co.uk/avc-calculator).

#### Boost your pension savings

It's worthwhile considering boosting your retirement benefits with Additional Voluntary Contributions (AVCs). AVCs offer a tax-efficient way to save for retirement in addition to your pension scheme. They run alongside your pension scheme, and are taken from your pay at the same time.

AVCs attract tax relief, for every £100 you contribute to your AVC, the cost to you will only be £80 (if you're a basic rate taxpayer). If you're a higher or additional rate tax payer, the cost to you will be even less. The more you save, the more tax relief you benefit from.

The tax you pay depends on your individual circumstances. HM Revenue & Customs tax rules may change in future.

#### Flexibility and control

AVCs are flexible and portable too. You have a range of funds to choose from, depending on how cautious or adventurous you are about investing. You should check your fund choices regularly as you may want to change your investment as your circumstances change.

You can increase, decrease or stop your contributions at any time. Please bear in mind that decreasing or stopping your contributions could impact your benefits at retirement and you'll still pay fund charges.

As with any investment, remember the value of your AVC can go down as well as up and you may not get back the amount you put in.

#### Want to retire earlier?

When you come to retire, your AVC pot could allow you more financial control and choice over how you spend your time. If you want to retire early, which could be from age 55, your pension scheme may reduce the benefits you receive at retirement. With an AVC pot you may be able to supplement them and help make up any shortfall.


Then you really would be able to sit back and relax in that hammock...

To find out about more about starting or increasing your AVC, please call the Retirement Specialist Team on 0800 032 5735. Lines are open Monday to Friday, 9am to 5pm. They can't give you advice, but they can talk to you about your personal situation and help answer any questions you may have about AVCs. Alternatively, visit [www.pru.co.uk/ignowalletter](http://www.pru.co.uk/ignowalletter).

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## Intranet content

  
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### Additional Voluntary Contributions (AVCs)

Whether you're close to retirement or it's still a long way off, it's not too early or too late to start thinking about the kind of lifestyle you want when you stop working. AVCs could be just the thing to boost your retirement benefits and help you to achieve your retirement dreams.

Let's take a look at what they are and how they work, so you are better informed to decide if AVCs are right for you.

#### Benefits

- AVCs allow you to build up a separate pot of money alongside your Local Government Pension Scheme (LGPS). This can then be used to provide you with additional retirement benefits.
- The contributions you make are tax efficient as you pay the money in directly from your salary before tax.
- You can stop, restart and change them any time although, as you may expect, if you stop or reduce your AVCs, it will affect how much money you will eventually have. Charges will continue to be deducted even if you stop contributing.
- Your AVC pot is invested in funds and you choose which ones are right for you.

As AVCs are investment based, it's important to remember that the value can go down as well as up and you may not get back the amount you put in. The tax you pay depends on your individual circumstances. HM Revenue & Customs tax rules may change in the future.

#### Contribution level

Subject to scheme and allowance limits, you can pay in up to 100% of your pensionable pay each month after other deductions such as National Insurance and your LGPS contribution are taken.

If you're increasing your contributions and your AVC plan started before 1 April 2014, you can pay in up to 30% of your pensionable pay each month.

#### Taking your money

From age 55, you can take up to 100% of your AVC as a tax-free lump sum at the same time as a linked main scheme benefits. (This is as long as the total lump sums you take from the LGPS do not exceed 25% of the combined value of the benefits you take at that particular time from the LGPS, including your AVC.) Of course you also have other options:

- You can do nothing and leave your money where it is: Reaching age 55 does not mean you have to start taking money from your pot – you can leave it where it is.

#### Other options to increase your LGPS retirement benefits

Your LGPS provides other options for increasing your retirement benefits – you can find more information on your LGPS website.

#### Find out more

To find out more about AVCs, please visit [www.pru.co.uk/ignite](http://www.pru.co.uk/ignite).

Alternatively, call our Retirement Specialist Team on 0800 028 1493. Lines are open Monday to Friday, 9am-5pm. They can't give you advice but they can talk to you about your personal situation and help answer any questions you may have about AVCs.

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# Main scheme insert



## Will your pension be enough?

Learn how Additional Voluntary Contributions could help you to retire early, or with more money.

Voluntary Contributions (AVCs) offer a tax efficient way to save for retirement. They are an additional pot alongside your main scheme pension. An AVC could give you more options when you retire than your Local Government pension on its own. AVCs could help you to:

- retire early** and protect the value of your Local Government pension.
- with more money** great if you've had a career break, started working for Local Government later in life, or simply want to boost your retirement benefits.

### Reasons to start a Local Government AVC

**Age of tax relief**  
From tax relief, and it is easy to see as it's all done for you by contributions come from your employer before it's taxed. If you are a taxpayer, a £100 contribution to your AVC pot (or £80, as the tax goes into your AVC, you're a higher or additional rate taxpayer) will be even less.

**Flexible**  
You can stop, start or adjust your contributions at any time. Or choose to reduce your contributions if you have more money you will need. Charges will continue to be made if you stop contributing.

**Wide choice**  
If you're a taxpayer, AVCs are flexible, and you can stay in control of your pension by choosing where they are invested. In your scheme, there are clear investment choices for you. You can find information on our dedicated website to help you make a decision you are confident with.

**Taking your AVC - now more ways than ever**  
There are a number of ways for you to take your AVC pot, and it's completely up to you which option you choose. Currently you can access your AVC pot from age 55, either at the same time as your Local Government Pension Scheme (LGPS) benefits or earlier if you transfer to a different product (without having to take or transfer your main LGPS pension).

One of the ways you can take your AVC pot is as 100% tax-free cash. You can do this if it is taken at the same time as linked main scheme benefits, as long as your total lump sums taken from the LGPS do not exceed 25% of the combined value of the benefits you take from the LGPS including your AVC fund.

To find out more about other options when it comes to taking your AVC, visit your dedicated website at [www.pru.co.uk/lgpschoices](http://www.pru.co.uk/lgpschoices).

The tax you pay depends on your individual circumstances. HM Revenue & Customs tax rules and your LGPS rules may change in the future.

#### Building up your AVC

Let's see how AVCs work by looking at the example of Karen. Karen is 49 years old, and plans to retire when she is 67. How much could Karen's AVC pot be worth if she contributes £125 per month for the next 18 years?

Actual Cost	+	Tax Relief	+	Potential Growth	=	AVC Pot Value
£21,600	+	£5,400	+	£12,100	=	£39,100

These figures are based on a basic rate taxpayer. The projected AVC plan value assumes growth of 5% each year and an Annual Management Charge of 1%. Inflation has not been considered, but it will reduce purchasing power in the future. Charges can vary and could be higher than they are now. Figures are for illustrative purposes only and are not guaranteed. AVCs are investment based so the value could go down as well as up and you could get back less than you put in.

Try our AVC calculator at [www.pru.co.uk/calc](http://www.pru.co.uk/calc) to find out how much you could save.

#### It's not too late to make a difference

We just looked at the example of Karen who has 18 years to save into an AVC, but what if you're just a few years away from retirement? Let's take a look at how much you could build up.

Looking simply at how the contributions could add up, saving £250 a month for 3 years could give you an AVC pot of £9,000. The cost to you would be £7,200 if you are a basic rate taxpayer, with the additional £1,800 added in tax relief. If you pay tax at the higher rate the cost to you would be £5,400, with £3,600 added in tax relief.

#### Take action today

If you would like to start an AVC or increase your contributions visit [www.pru.co.uk/lgpschoices](http://www.pru.co.uk/lgpschoices).


You can also call the Retirement Specialist Team on **0800 012 1378**. They can't give advice but they can talk to you about your own situation and answer questions you may have about the AVC. Lines are open Monday to Friday, 9am-6pm.



Your LGPS also offers you Additional Pension Contributions, as an alternative to AVCs. For more information, please contact your scheme administrator or visit [www.lgpsmember.org](http://www.lgpsmember.org) (England and Wales), [www.scotlgps2015.org](http://www.scotlgps2015.org) (Scotland), [www.nlgpsc.org.uk](http://www.nlgpsc.org.uk) (Northern Ireland).



# Employee engagement – online

PRUDENTIAL

lgps

Your AVCs. Your future

Welcome

To help us take you to the right area of our website, please tell us your Local Government Pension Scheme (LGPS) name.

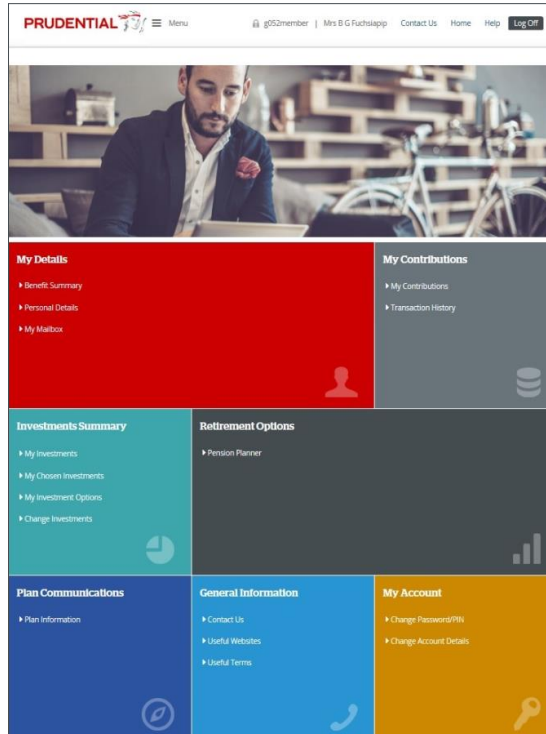
To find your LGPS, type the name in the box below

Search for your Local Government Pension Scheme

Q

If you're not sure of your LGPS name, select it from [this list](#)

# Employee engagement – online



# **2018 Prudential AVC proposition developments**



# Salary Sacrifice Shared Cost AVCs

Prudential has recently launched the facility to take contributions through Salary Sacrifice Shared Cost AVCs

- What are Salary Sacrifice Shared Cost AVCs?
  - A way of employers enabling AVCs to be made through salary sacrifice arrangements by using the existing LGPS shared cost AVC rules
- Why would an employer offer Salary Sacrifice Shared Cost AVCs?
  - Potential National Insurance contribution (NIC) savings for employees PLUS
  - Income tax savings for employees PLUS
  - NIC savings for the employer

Taxation depends on employees individual circumstances and may change in the future

# Salary Sacrifice Shared Cost AVCs

- How does an employer set up Salary Sacrifice Shared Cost AVCs?
  - Prudential recommend employers work with a tax adviser.
  - Arrangements must adhere to Prudential's terms of business
  - To ensure a smooth implementation, Prudential will work closely with:
    - the employer AND
    - the tax adviser



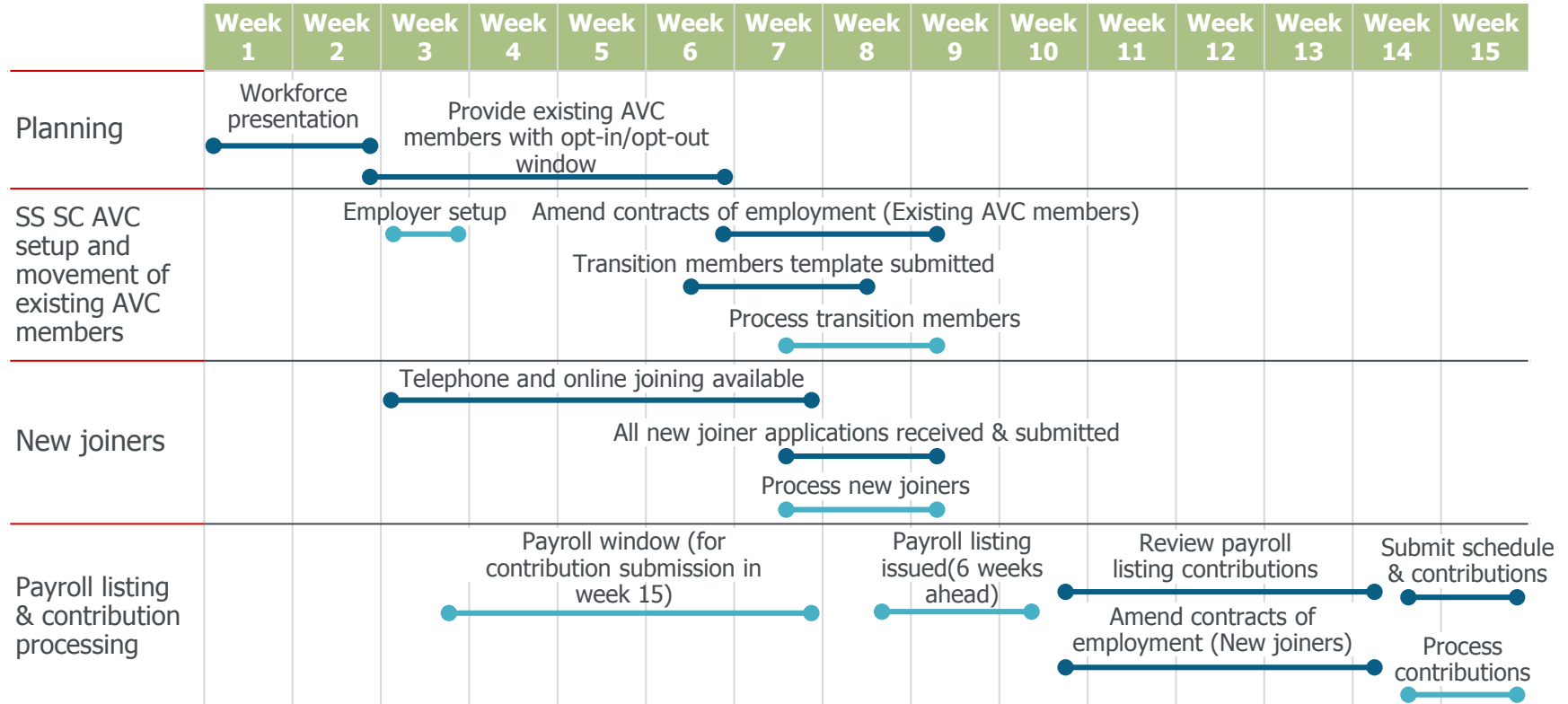
## Paul

Salary: £30,000

Regular AVC: £250 each month (£3,000 each year)

	Without AVC	With Standard AVC	With SSSCAVC
Gross monthly pay (before main scheme contributions)	£2,500	£2,500	£2,251
Paul's LGPS Contribution	£162.50	£162.50	£162.50
Paul's AVC Contribution	£0	£250	£1
Employer AVC Contribution	£0	n/a	£249
Total AVC Contribution	N/A	£250	£250
Paul's Income Tax	£275.83	£225.83	£225.83
Paul's National Insurance	£218.36	£218.36	£188.48
Paul's monthly pay after tax	£1,843.31	£1,643.31	£1,673.19

# Salary Sacrifice Shared Cost AVCs – plan setup timeline



# Employer hub



## Local Government Pension Scheme

### employer communications hub for AVCs

Welcome to your communications hub for Prudential's Additional Voluntary Contributions (AVCs). Here you'll find lots of materials you can download and add to your intranet and send on to your employees. These will always be the latest versions available.



#### Intranet Copy

Introductory wording with links to the local government AVC website for your staff intranet.



#### Presentation handout

The presentation handout is full of answers to questions your staff may have about their AVC.



#### Emails

Keep your staff updated with regular email communications.



#### Case study handout

Our case studies show real-life examples of how an AVC can help your staff achieve the lifestyle they want in retirement.



#### Banners

Display our custom AVC banners on your intranet or web pages.



#### Newsletter articles

Our newsletter articles can help educate your staff on the Teachers' AVC.



#### Main scheme insert

Print our AVC information insert & place within payslips or main scheme pension communications.



#### Poster

A glossy poster to put up in your staff room to introduce your employees to AVCs.

**Note to scheme when issuing:** Please note, Prudential has taken every care to ensure the accuracy of the following information. If you make any changes you must ensure compliance with the appropriate regulations. If you wish to use the Prudential logo then this wording must be used and the wording approved by Prudential before sending.

**Any questions?**