

Additional Pension Contributions (APCs)

The Benefits

APCs buy you a further pension in the scheme. You can purchase extra pension to a maximum of £7,194.00 pa (for the year 2020/21). This maximum also includes any amount already being purchased through an existing Additional Regular Contribution (ARC) contract.

At the end of each scheme year the extra pension you have purchased will be calculated and this amount will be added to your CARE account and increased each year along with your other benefits.

You can choose the length of time over which you pay your contributions, but the payment period must be in whole years and be payable for at least 12 months. Obviously the shorter the payment period the higher the monthly.

There is no provision for dependent's benefits and should you die in service there are no benefits payable in respect of your APCs.

Costs and how it's paid

Costs vary dependent on age, gender, the amount of pension purchased and the payment period you choose. If you are interested in purchasing APCs then you should visit www.lgps2014.org and use the APC calculator provided which is located under the section 'How do I buy extra or Lost Pension?' listed under the 'How does it work?' tab on the home page.

If you then wish to proceed with an APC contract you should follow the instructions provided and forward copies of your **signed** application to both your payroll department and the ERPF at PO Box 118, Council Offices, Church Street, Goole, East Riding of Yorkshire, DN14 5BG.

Contributions are taken from your pay and are subject to tax relief in the same way as your LGPS pension contributions.

Additional Voluntary Contributions (AVCs)

The Benefits

AVCs do not buy an amount of pension but build up a fund value which you can then use to purchase benefits at retirement.

Currently you are able to use your AVC fund to supplement your Tax-Free cash lump sum or purchase a pension at current market rates from a provider of your choice.

Payments are flexible and set by you and you can pay until age 75.

You can choose the benefits that you purchase at the time of your retirement such as whether a spouse's pension is payable and whether your pension increases in line with inflation or not.

Should you die in service then your AVC fund is payable at the discretion of the Administering Authority.

Costs and how it's paid

You choose how much you want to pay each pay period.

If you would like to pay AVCs then you should apply to Prudential using their application form either online at www.pru.co.uk/localgov/ or by calling Prudential on 0800 234 6916.

Contributions are taken from your pay and are subject to tax relief in the same way as your main scheme contributions.

Additional Pension Contributions (APCS)

If you stop paying or leave employment

You are free to stop paying the contributions at any time by signing a written instruction and sending it to your payroll and the East Riding Pension fund but you must give a month's notice. You will be given the extra pension you have paid for up to the date your contributions stop.

If you retire because of ill health (tier 1 or 2) from active employment you will receive the entire extra pension you elected to buy, even though you haven't finished paying for it.

If you leave or retire for any reason other than tier 1 or tier 2 ill health you will be given the extra pension you have paid for up to your date of leaving and any early retirement reductions will then be applied.

If at the time you leave employment you are only entitled to a refund of your contributions then your APCs will also be refunded.

Other things you need to know

Your GP will need to complete a Medical Declaration form agreeing that you are in reasonable good health before you can commence your APCs contract and any costs for this are payable by you. Once the ERPF receive your confirmation that you want to proceed with a contract for APCs we will send you a form to complete for this.

The costs of buying APCs can increase in the future and if that happens you will be given the choice to pay the higher contributions or you can stop paying as explained above.

The extra pension you purchase is payable from State Pension Age. If you draw your benefits before then (except in the case of ill health retirement) your extra pension will be reduced.

Additional Voluntary Contributions (AVCs)

If you stop paying or leave employment

You are free to stop paying the contributions at any time by signing a written instruction and sending it to your payroll or the ERPF. Your AVC fund will be frozen at the point your contributions stop and will continue to rise and fall with the fluctuation in investment returns.

If you retire because of ill health from active employment you will not receive any enhancement to your AVC fund.

If you leave before your LGPS benefits are payable your AVC fund will be frozen at the point your contributions stop and will either continue to rise and fall with the fluctuation in investment returns.

If you retire or once your LGPS benefits are brought into payment the AVC fund can be used to provide additional pension benefits.

If at the time you leave employment you are only entitled to a refund of your contributions then your AVC fund will also be refunded.

Other things you need to know

No medical declaration is required.

AVCs are a form of investment and therefore there are no guarantees, the value of your fund could go down as well as up. You do get to choose the investment fund that best suits your attitude to risk and this can be changed.

Administration charges are applied to the AVC fund both as you build up your AVC fund and when you draw your benefits at the end. Details of these are provided by Prudential.