

Pace DC Additional Voluntary Contributions (AVCs) Factsheet

This factsheet tells you how to start paying or change your AVCs, what benefits AVCs can provide and how to find out about the investment options available.

The **co-operative** bank

Pace
pension
scheme

April 2024



This factsheet is for members of The Co-operative Bank Section of Pace. If you're a member of The Co-op Section, you should visit the Co-op's pensions website at coop.co.uk/pensions for pension information that's relevant to you.

Additional Voluntary Contributions (AVCs) are a way of paying more into Pace DC to improve the benefits you get when you retire.

AVCs work like this:

- You pay an extra amount into Pace DC (above your normal member contributions). This can be a fixed amount each pay period or a one-off payment.
- Your AVCs will be paid into an AVC account which will be administered by Legal & General.
- The money in your AVC account is invested in a fund or funds of your choice from a range selected by the Trustees.
- When you retire you can use the money in your AVC account to provide you with a pension or a lump sum and under current laws up to 25% of the value of your account can be paid tax-free.

This factsheet is relevant to you if you are a member of Pace DC and are considering paying AVCs. More detailed information can be found in the **fund guide** and **pension guide** for members of Pace DC.

How do I pay AVCs?

It is easy to start paying AVCs. Just go to: co-operativebank.co.uk/pensions, and complete and return the **start Additional Voluntary Contributions form**, or phone Legal & General.

Can I change how much I pay as AVCs?

Yes, you can increase, decrease or stop your AVCs at any time, by completing the **Change or Stop your Additional Voluntary Contributions form** on the Bank's pensions website co-operativebank.co.uk/pensions or by phoning Legal & General. However, please be aware that there are overall limits to what you may pay to a pension scheme. See the **Pensions Tax Limits Factsheet** for more information.

Will my employer also pay AVCs?

No. If you are in Pace DC and you are considering paying AVCs, you should consider whether you would be better paying more into Pace DC to benefit from higher employer contributions. For example, if you are paying a 3% contribution rate, you could switch to a higher contribution rate to benefit from the higher contribution from The Bank. Read the **Pace DC factsheet** for more information.

What tax relief do I get on my AVCs?

AVCs attract tax relief in the same way as your normal member contributions and count towards the total amount you can put into a pension under the Annual Allowance limits. Please visit coop.pacepensions.co.uk/useful-information/tax-information/ for more details.

If you are a basic rate taxpayer and you pay in £10 as AVCs, you will get £2 tax relief, so your AVCs will only reduce your take-home pay by £8.

Note, however, that your AVCs will not be paid through salary sacrifice and you should remember that you can pay up to 8% of your Pay as 'ordinary' contributions by salary sacrifice. See the **salary sacrifice factsheet** for more information on salary sacrifice.

When can I take my AVC benefits?

Your AVCs will be used to provide you with extra benefits at the same time that you take your other Pace DC benefits. See the 'Retirement benefits' section of the **pension guide** for members of Pace DC.

What happens to my AVCs if I die before retirement?

If you die before retirement, your AVCs will be paid in addition to your Pace DC benefits. See the 'Death benefits' section of the **pension guide** for further details.

What happens if I leave Pace DC before I take my benefits?

Your AVCs will remain invested and will be taken in addition to your Pace DC benefits. See the 'Leaving benefits' section of the **pension guide** for more information.

What charges apply to my AVC account?

The Trustees have negotiated very competitive charges with Legal & General for administering and investing your AVCs. Information on charges can be found in the **fund guide** for members of Pace DC.

How do I manage my AVCs?

You can check the value of your AVCs at any time by going to co-operativebank.co.uk/pensions and following the links to **Manage your Account**. You can also download Legal & General's app from your app store on your smartphone or tablet.

Legal & General will also send you a statement each year, which will show the value of your AVCs and how the money is invested.

What investment options are available for my AVCs?

You can invest your AVCs in any of the fund options which are available for normal contributions under Pace. To find out more about your investment options, please read the **fund guide** for members of Pace DC.

You can then change where your AVCs are invested at any time by going online to '**Manage your Account**', using the app or by phoning Legal & General.



Want to know more?

To find out more, go to the Bank's pensions website co-operativebank.co.uk/pensions or contact Legal & General:

DC Pensions
Legal & General
PO Box 1560
Peterborough
PE1 9AP

Tel: 0345 070 1148

Email: coopbankpensions@landg.com

Whenever you contact Legal & General, please quote your national insurance number which can be found on your payslip. If you are writing to Legal & General, you will need to refer to Pace or The Co-operative Bank.

Neither the Trustees, The Bank or Legal & General (as administrator) can provide you with financial advice. If you would like financial advice before deciding whether to pay AVCs, you should speak to an independent financial adviser (IFA). You should bear in mind that an IFA will charge for any advice given.

Legal & General's retirement advice

If you're aged 55 or over and living in the UK, a Legal & General adviser could help you review your pension and future retirement options. Should you wish to use this service, prices start from £500 and you have the option to pay directly from your pension pot. To find out more, call 0800 072 0016.

Facilitated Adviser Charge

Legal & General offer a way of paying for pensions and retirement advice called a Facilitated Adviser Charge (FAC). You can ask Legal & General to make a payment directly to your financial adviser by making deductions from your Pace DC pension pot.

FAC can only be used if the advice you receive relates to your relevant Legal & General pension plan, in this case, Pace DC. Full details of how the FAC works, and how to access it can be found at landg.com/adviserchargeguide.

MoneyHelper

MoneyHelper is a Government service that provides free guidance and information to help you manage your finances, including your pension. You can find an adviser in your area by searching for 'retirement adviser' on the MoneyHelper website.

moneyhelper.org.uk

(The website offers contact options of live webchat, enquiry form and social media channels).

Call: 0800 011 3797 (Monday to Friday, 9am to 5pm)

This factsheet is not intended to be a legal promise to members, as it is only a summary of the terms and conditions of Pace. If there is any conflict between this factsheet and the Rules, the Rules (as amended from time to time) will be overriding. If you want to see a copy of the Rules, or have any questions concerning the contents of this factsheet, please contact Legal & General.

