



Local Government
Pension Scheme



Cronfa Bensiynau
CLWYD
Pension Fund

Local Government Pension Scheme

Combining pension accounts and transferring LGPS benefits to another LGPS Fund - AVC Factsheet

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Combining pension accounts and transferring LGPS benefits to another LGPS Fund

Some members of the Local Government Pension Scheme (LGPS) decide to increase their pension benefit value by paying extra pension contributions through Additional Voluntary Contributions (AVCs). This factsheet explains what options are open to you if you change LGPS Funds or change jobs within the same LGPS Fund, and decide to transfer your LGPS benefits and AVCs to your new pension account.

If you change jobs you will have a pension account for each job. You can transfer your LGPS benefits from your old administrator to your new one (or combine pension accounts if your LGPS administrator is the same one). If you transfer your main LGPS benefits and you have an AVC too, then the accrued value of your AVCs must be transferred as well. Your AVC will then be looked after by the AVC provider used by your current LGPS Fund administrator. **However, there is an exception to this rule:**

- If you were previously a member of the LGPS on 31 March 2014 and 1 April 2014 **and**
- You do not have a continuous break in *active membership of a public service pension scheme of more than five years

You can choose not to transfer the accrued value of your AVCs to the AVC provider used by your current LGPS Fund administrator.

*Active membership is classed as being the period of time when you pay pension contributions into a pension scheme.

Paying AVCs before 1 April 2014: If you started to pay AVCs in your previous employment before 1 April 2014, you can choose not to transfer the accrued value of your AVCs. This means that the AVC will remain with your former LGPS Fund administrator and will be deferred with them.

If you do transfer your accrued AVCs, once it is transferred to the new AVC provider, it is considered a new contract under the scheme rules in force at the time.

Paying AVCs on or after 1 April 2014: If you started to pay AVCs in your previous employment on or after 1 April 2014, and then transfer or combine your main LGPS benefits from your previous employment to your new LGPS Fund administrator, the accrued value of your AVCs must be transferred to your current active pension account with your new LGPS Fund.

	If deferred benefits are combined with your active pension account	If deferred benefits are kept separate
If you started paying AVCs before 1 April 2014	<p>If your deferred LGPS benefits are combined with your current LGPS benefits, the value of your AVCs must also be transferred to the Clwyd Pension Fund's in-house AVC provider, Prudential. If you do transfer, it will be treated as an AVC contract that started on or after 1 April 2014, which means:</p> <ul style="list-style-type: none"> • You can pay up to 100% of your pay each month as AVCs (after your main scheme pension contributions and national insurance contributions have been deducted) • You can take up to 25% of your AVC fund value as tax-free cash at retirement • The normal pension age for the benefits from your AVCs is linked to your state pension age 	<p>If you elect to keep your deferred benefits separate, your AVCs will remain with the in-house provider at the LGPS Fund that holds your deferred pension account and you cannot transfer the value of your AVCs to our AVC provider, Prudential. The AVC will be treated as an AVC contract that started before 1 April 2014, which means:</p> <ul style="list-style-type: none"> • If you take your AVC at the same time as your LGPS pension, you may be able to take some or all of your AVC as a tax-free lump sum (depending on your scope at retirement) • You will have a protected normal pension age (normally age 65)
If you started paying AVCs on or after 1 April 2014	<p>If your deferred benefits are combined, the value of your AVCs must also be transferred to Clwyd Pension Fund's in-house AVC provider, Prudential. Your AVC contract will continue to be treated as a contract that started on or after 1 April 2014, which means:</p> <ul style="list-style-type: none"> • You can pay up to 100% of your pay each month as AVCs (after your main scheme pension contributions and national insurance contributions have been deducted) • You can take up to 25% of your AVC fund value as tax-free cash at retirement • The normal pension age for the benefits from your AVCs is linked to your state pension age 	<p>If you elect to keep your deferred benefits separate, your AVCs will remain with the in-house provider at the LGPS Fund that holds your deferred pension account. The AVC will be treated as an AVC contract that started on or after 1 April 2014.</p>

Where can you find more Information?

This factsheet gives general guidance only, if you need further information, please contact the Pension Fund:

Tel: 01352 702940

Email: pensions@flintshire.gov.uk

Disclaimer

The Pension Fund is unable to provide any financial advice. After reading this factsheet, you may want to seek independent financial advice to make an informed decision.

These bodies may be able to help you:

Unbiased:

<https://unbiased.co.uk>

MoneyHelper:

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser?source=mas>



mss.clwydpensionfund.org.uk

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Please note that Flintshire County Council is the administrative authority of the Clwyd Pension Fund and we use your personal data in accordance with Data Protection legislation to provide you with a pension administration service. For more information about how we use your data, who we share it with and what rights you have in relation to your data, please visit the Privacy Notice on our website.