

**welplan**



**Welplan Pensions  
AVC Guide**

# The facts

## Straightforward and tax effective

Additional Voluntary Contributions (AVCs) can be paid by employees in addition to standard contributions to top up benefits within Welplan Pensions. Benefits provided from the payment of AVCs are taken into account for the purpose of calculating total tax-advantaged benefits.

Making an AVC to improve your pension expectation is something everyone in a company pension scheme should seriously consider.

- Your AVCs do not have to be fixed; you can vary your contributions from time to time as it suits you and you may make one-off payments.
- Any contributions that you make will be collected through your employer's payroll system. They will be deducted before tax is calculated, under what is known as a 'net pay arrangement'. If you pay tax, this means you benefit from tax relief at your marginal rate. If you do not pay tax, you will not benefit from tax relief.
- At retirement you may be able to take some or all of your AVC fund **as a tax-free cash** sum up to a maximum level prescribed by HMRC.
- The benefits provided from your AVCs will depend on:
  - The amount of AVCs you pay into your fund and the length of time over which these are paid
  - The investment performance of the funds
  - The annuity terms available from the chosen insurer and
  - HMRC limits

## What to do next

- If you leave Welplan Pensions, your AVC fund will be treated in the same way as your main Welplan Pensions fund. It will either remain invested until you retire or die, or if you transfer your Welplan Pensions fund out of the Scheme, your AVC fund will similarly be transferred.
- If you die in service, your AVC fund will be paid as a lump sum in the same way as described in section 6 of the Guide to Welplan Pensions.
- If you are a tax payer, please note that there is a limit on the amount of pension contribution (including AVCs) you can pay each year that attract tax relief. Tax relief will not apply to any contributions paid in excess of 100% of your annual relevant UK earnings. A tax charge will apply if contributions made by you and your employer exceed the Annual Allowance set by HMRC. The Annual Allowance for tax year 2014/15 and 2015/16 is £40,000.
- If you would like to **set up AVCs** to Welplan Pensions, please complete the enclosed form and **pass it to your employer**.



# Additional Voluntary Contributions

Welplan Pensions

## PERSONAL DETAILS

Full Name: .....

N.I. Number:  Date of Birth:

Address: .....

Employer: .....

## AUTHORISATION TO DEDUCT REGULAR ADDITIONAL VOLUNTARY CONTRIBUTIONS

I wish to make Additional Voluntary Contributions to Welplan Pensions of:

£ ..... pw/pm\* (minimum £2 per week) OR ..... % of pensionable salary (minimum 1%)  
(Please confirm with your payroll whether they can accept fixed amounts or percentages).

I authorise you as my employer to deduct this amount from my earnings through the payroll from:

Date:  until further notice.

\*delete as appropriate

SIGNATURE ..... DATE:

**Now hand this form to your employer.**

## ONE-OFF PAYMENT

It is possible for you to make a one-off lump sum AVC payment to Welplan Pensions, rather than a regular AVC. If you wish to make such a payment you should write to your employer accordingly.

### To the Employer

Please use this form to set up an AVC payment on the member's pay record and send the form to Welplan Limited in Penrith. Welplan Pensions will record the AVC on the member's contribution record. Any letters received regarding one-off lump sum payments should be referred to Welplan Limited who will advise what action to take.

# welplan

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