



# **Saving For Your Retirement Additional Voluntary Contributions**

**In conjunction with Prudential and Denbighshire County  
Council**

**Suitable For: Local Government Employees and Teachers**



## **1. Introduction – Your future, don't lower your expectations.**

Since 2008, the average income that people who are stopping work are expected to live on, has reduced by 16%.

Retirement is a topic people often ignore, especially if it seems a long way off. Unfortunately doing this could lower your standard of living in retirement.

There are so many things people could do to avoid pension saving errors just by talking about it. Nothing's more frustrating than in years to come, wishing you had talked about it earlier.

Prudential are the UK's No.1 AVC provider with over 295,000 AVC customers and have been helping public sector employees save for their retirements for over 20 years.

## 2. Local Government Employees

### **Local Government Additional Voluntary Contributions could help you get the future you want.**

Whether you have just started or are coming to the end of your career, it's never too early or too late to think about retirement. For a lot of people reaching the state retirement age, the reality is that they are now working longer than they would like to.

In research conducted in January 2011 by Prudential, nearly half of people approaching retirement will have to continue to work past their retirement age to supplement their pension or build up their savings further.

What this means is that many people are simply leaving it too late to have the retirement they want and could potentially be missing out on a retirement all together.

If you are looking for ways to avoid late retirement, want to fill the gap if you joined the main scheme pension later, or want to try and retire a little earlier, then there could be a simple solution.

You have the opportunity to join the Local Government Additional Voluntary Contribution (AVC) Scheme. The AVC Scheme can aim to help you build up an additional retirement pot to your main scheme pension, which will provide you with an extra source of money in retirement – money that could help you retire when you want to, not when you can afford to.

- ✓ Tax efficient contributions – the tax that you normally pay to the taxman goes into your AVC pot instead (subject to limits).
- ✓ Stop, start, increase or decrease your contributions. If you decrease or stop contributions, your benefits at retirement could be affected.
- ✓ Choose the funds you want your AVC pot to be invested in from Prudential's wide fund range. As this is an investment-based product, the value of your investment can go up and down. You may not get back the full amount you invested.
- ✓ Benefit from up to 100% tax-free lump sum (provided it isn't more than 25% of all your pensions combined). You can use some of the pot (or all of it if you like) to provide you with a regular taxable income.

This information is based on our understanding of current taxation rules, which may change in the future. The impact of taxation (and any tax relief) depends on individual circumstances.

You may feel like you have enough time to save the money you need to retire, so you don't need to worry about it today or that you can catch up for lost time easily. But it's not always as simple as paying in more over a shorter period of time. By choosing to do more now, you can spread the cost over a longer period, making it easier to save. And it could leave you better off in the long run.

Even if you only have a few years until you retire, you could benefit from more tax relief and receive the ability to take a proportion of your savings as a tax-free cash lump sum if you decide to make Local Government Additional Voluntary Contributions.

### 3. Teachers

#### **Teachers' Additional Voluntary Contributions could help you get the future you want.**

Whether you have just started or are coming to the end of your career, it's never too early or too late to think about retirement. For a lot of people reaching the state retirement age, the reality is that they are now working longer than they would like to.

In research conducted in January 2011 by Prudential, nearly half of people approaching retirement will have to continue to work past their retirement age to supplement their pension or build up their savings further.

What this means is that many people are simply leaving it too late to have the retirement they want and could potentially be missing out on a retirement all together.

If you are looking for ways to avoid late retirement, want to fill the gap if you joined the main scheme pension later, or want to try and retire a little earlier, then there could be a simple solution.

You have the opportunity to join the Teachers' Additional Voluntary Contribution (AVC) Scheme. The AVC Scheme can aim to help you build up an additional retirement pot to your main scheme pension, which will provide you with an extra source of money in retirement – money that could help you retire when you want to, not when you can afford to.

- ✓ Tax efficient contributions – the tax that you normally pay to the taxman goes into your AVC pot instead (subject to limits).
- ✓ Stop, start, increase or decrease your contributions. If you decrease or stop contributions, your benefits at retirement could be affected.
- ✓ Choose the funds you want your AVC pot to be invested in from Prudential's wide fund range. As this is an investment-based product, the value of your investment can go up and down. You may not get back the full amount you invested.
- ✓ Benefit from a 25% tax-free lump sum. You can use the rest of the pot (or all of it if you like) to provide you with a regular taxable income, that's guaranteed for life.

This information is based on our understanding of current taxation rules, which may change in the future. The impact of taxation (and any tax relief) depends on individual circumstances.

You may feel like you have enough time to save the money you need to retire, so you don't need to worry about it today or that you can catch up for lost time easily. But it's not always as simple as paying in more over a shorter period of time. By choosing to do more now, you can spread the cost over a longer period, making it easier to save. And it could leave you better off in the long run.

Even if you only have a few years until you retire, you could benefit from more tax relief and receive the ability to take a proportion of your savings as a tax-free cash lump sum if you decide to make Teachers' Additional Voluntary Contributions.

#### 4. Useful Contacts:

##### **Prudential**

###### Local Government Employees:

Prudential's helpful staff are available to talk to you on **0845 607 0077** from 9am-6pm, Monday to Friday. Alternatively visit Prudential's dedicated Local Government AVC website at [www.pru.co.uk/localgov](http://www.pru.co.uk/localgov)

###### Teachers:

Prudential's helpful staff are available to talk to you on **0845 070 0007** from 9am-6pm, Monday to Friday. Alternatively visit Prudential's dedicated Teachers' AVC website at [www.pru.co.uk/teachers](http://www.pru.co.uk/teachers).

Prudential Booking: **0800 015 4615** or [retirepru@prudential.co.uk](mailto:retirepru@prudential.co.uk)

##### **Pensions**

Clwyd Pensions: **01352 702761**

Teachers Pensions: **0845 606 6166**

##### **Denbighshire County Council**

Denbighshire County Council HR: **01824 706200**

Denbighshire County Council Payroll: **01824 706028**