# Additional Voluntary Contributions Leicestershire Local Pension Board 8 December 2016

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# **Important Information**

Where this presentation contains some forward thinking statements, these should not be taken as fact. Where applicable, the information given is based on our current understanding, as at November 2016, of current taxation, legislation and HMRC practice, all of which are liable to change.

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## What will I cover?

- Provision of AVCs in the public sector
- What are AVCs?
- Administration, communication and investment
- What does good governance look like?
- Future developments for AVCs



#### Provision of AVCs in the Public Sector

- AVC provider to 73 of the 99 Local Government Pension Schemes
- Over 60,000 active AVC payers
  - LCC 1192 payers
- Over £600m funds under management
  - LCC £14.2M (31st August 2016)
- Dedicated public sector client management team and support
  - Work closely with LCC Pension Fund
  - User Groups
- Also AVC provider to Teachers' Pension Scheme and NHS

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## What are AVCs?

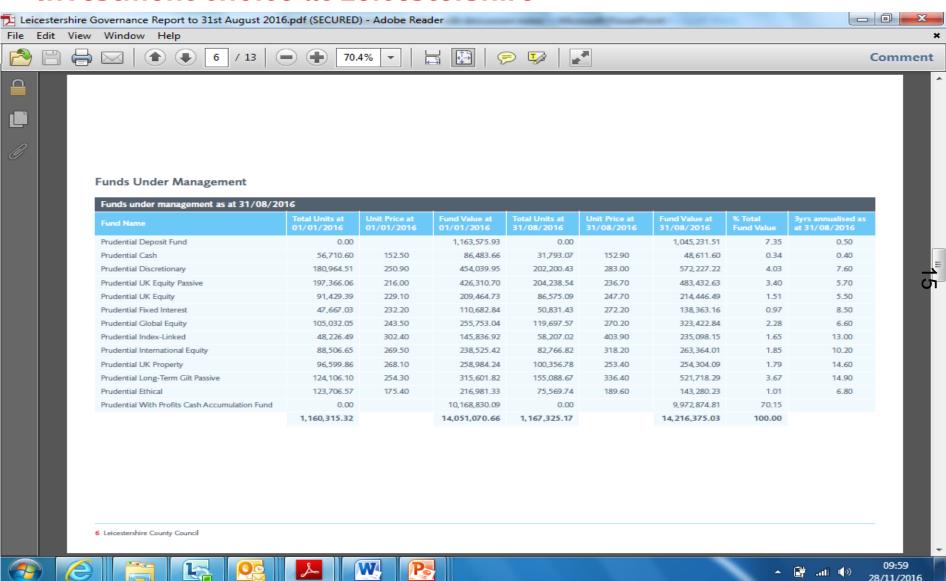
- "Money Purchase" top-up option
- LGPS Regulations
- "Voluntary" Contributions
  - Deducted from pay
  - Tax relief
  - Investment choice
  - Annual statements / online account access
  - Stop / start / increase / decrease
  - Lifetime and Annual Allowances
  - Options at retirement
  - Pension Freedoms



# **Investment Choice**

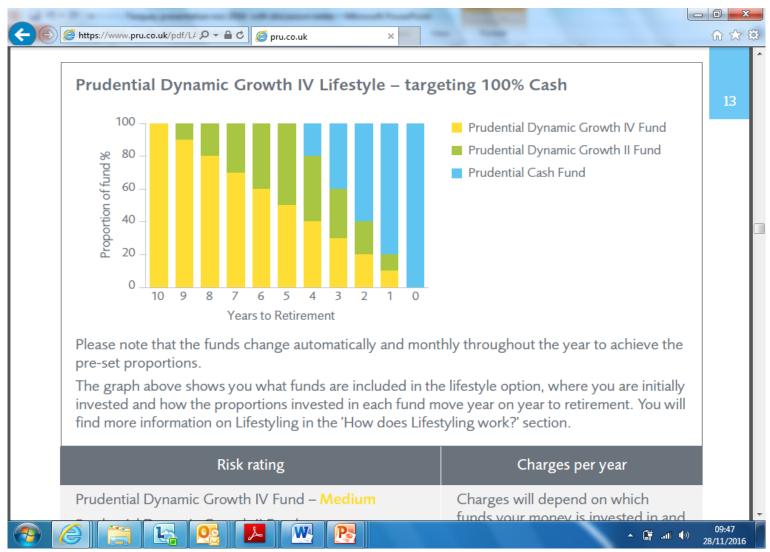
- Attitude to risk
- Member support
- Default fund
- Lifestyle
- Fund performance
- Fund charges
- Fund review / "Fit for purpose"
- Member communication exercise

## **Investment choice at Leicestershire**





#### **Investment Choice**





## **Administration**

- Regular review of service performance
- 5 day service standard
- On-line account access for members and administrators
- Direct contact with employers contributions and remittances
- Late / non payer reports each month
- Annual statements



## **Member Communication**

- Group presentations / Regional Workplace Consultant role
- Individual meetings
- Dedicated telephony team
- www.pru.co.uk/localgov
- Email, newsletters, letters
- Development of online
  - Annual statements
  - Link with main scheme
- Working in partnership with scheme

# **Good Governance**

- TPR Code of Practice
- Investment
  - Fund performance
  - "Fit for Purpose"
- Administration
  - Remittance of contributions
  - Reporting of late or non payments
  - Service standards / payment of benefits
- Member communication
  - "Duty of care"





# **Summary**

- Prudential commitment to public sector AVCs
- Administration, investment, communication
- Regulations, future changes and other external factors
- Questions

