



Pace DC Additional Voluntary Contributions (AVCs) Factsheet

Co-op Section

This factsheet tells you:

- How to start paying AVCs
- How to change your AVC amount
- The benefits AVCs can provide, and the available investment options



April 2023

This factsheet is relevant to you if you're a member of Pace DC and are considering paying AVCs. More detailed information can be found in the Pace DC fund guide and Pace DC pension guide. **Please note: There are two different versions of the pension guide depending on when you joined Pace DC:**

- **Your pension - a guide for members who joined before 10 June 2019, and**
- **Your pension - a guide for members who joined on or after 10 June 2019**

If you're not sure when you joined Pace DC, please check your payslip which will tell you the date you joined Pace DC.

This factsheet is for members of The Co-op Section of Pace. If you're a member of The Co-operative Bank Section, you should visit the Bank's pensions website at www.co-operativebank.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 increase 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 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.

How do I pay AVCs?

It's easy to start paying AVCs. Just go to coop.co.uk/pensions, and complete the **Start paying AVCs 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 paying AVCs form** on coop.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 your **Pensions Tax Limits: Summary Factsheet** for more information.

Will my employer also pay AVCs?

No. If you're in Pace DC and you are considering paying AVCs, you should consider whether you would be better paying more into Pace to benefit from higher employer contributions.

For example, if you're paying a 3% contribution rate, you could switch to a higher contribution rate to benefit from the higher contribution from The Co-op (and higher death in service benefits). Please refer to your **Pace DC pension guide** 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 <https://coop.pacepensions.co.uk/useful-information/tax-information/> for more details.

If you're a basic rate taxpayer and you pay in £10 as AVCs, you'll 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 NICE Pensions and you should remember that you can pay up to 10% of your Pay as ordinary contributions by NICE Pensions. See the [NICE Pensions factsheet](#) for more information on NICE Pensions.

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 [Pace DC pension guide](#).

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 [Pace DC 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 [Pace DC pension guide](#) for more information.

What charges apply to my AVC account?

The Trustees have negotiated competitive charges with Legal & General, for administering and investing your AVCs. Information on charges can be found in the [Pace DC fund guide](#).

How do I manage my AVCs?

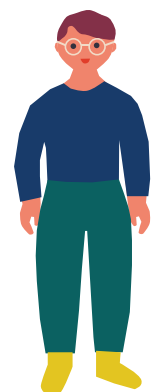
You can check the value of your AVCs at any time by logging into [Manage your Account](#), through The Co-op's pensions website. You can also download Coll8, Legal & General's app, from your app store on your smartphone or tablet.

Legal & General will 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 that are available for ordinary contributions under Pace DC. To find out more about your investment options, please read the [Pace DC fund guide](#).

You can change where your AVCs are invested at any time by changing your investment choices online through [Manage your Account](#), using the Coll8 app or by phoning Legal & General.



Want to know more?

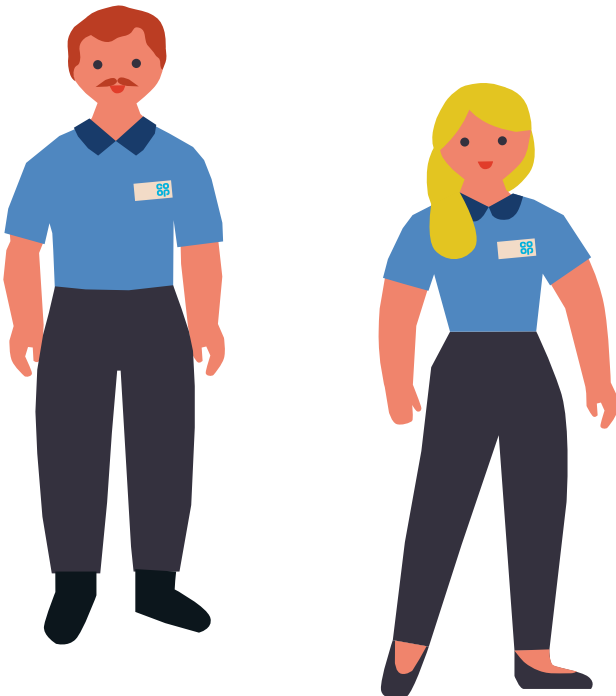
To find out more, go to The Co-op's pensions website at coop.co.uk/pensions or write to Legal & General:

Legal & General Trustee Services Team
Ground Floor Knox Court
10 Fitzalan Place
Cardiff
CF24 0EB

Tel: 0345 026 8689

Email: cooppensions@landg.com

Whenever you contact Legal & General, please quote your national insurance number, which can be found on your payslip. If you're writing to Legal & General, you'll need to refer to Pace or The Co-op.



Neither the Trustees, The Co-op or Legal & General can provide you with financial advice. If you'd 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 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 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.

www.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.