

To: Chief Executives
 Salaries and Wages
 Human Resources
 Pension Contacts

Circular 10/2014
 10 October 2014

At: All Employers

Dear Colleagues,

The 2015 Local Government Pension Scheme for Northern Ireland – AVCs

Industrial Action October 2014 – pension contributions

Additional Voluntary Contributions (AVCs)

We recently issued circular 09/2014 which advised on changes to the LGPS(NI). Section 3.12 of that circular advised that clarification was awaited from the Department of Environment regarding the rules that will apply to Additional Voluntary Contributions (AVCs) taken out from 1 April 2015. The Department has now confirmed that AVC contracts taken out from 1 April 2015 will operate in the same way as those entered into before 1 April 2015. The Department will make the required amendments at the earliest opportunity.

Table 1 summarises how we understand AVCs will be treated.

Table 1 - AVCs pre and post 1 April 2015

Feature	AVC rules
Contributions	50% limit on 2009 Scheme definition of pensionable pay
Tax-free cash	Providing the AVC is crystallised at the same time as the main Scheme benefits the member can take 100% of the AVC fund value as tax-free cash
Death benefits	Payable to the deceased's personal representatives

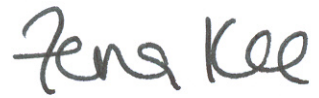
Industrial Action

We understand that a further one day strike will take place on 14 October 2014. The contents of Circular 07/2014 – Possible Industrial Action continues to apply. This circular is available on our website at

http://www.nilgosc.org.uk/DatabaseDocs/new_9364215_circular_072014.pdf.

If you have any queries please contact the Pensions Development Team.

Yours sincerely

A handwritten signature in black ink that reads "Zena Kee". The signature is written in a cursive, slightly slanted style.

Zena Kee
Pensions Manager