

Factsheet



peninsula pensions

Looking forward to your retirement

Topping Up

Buying more pension



Photo taken in Devon by Roy Riley



Local Government Pension Scheme



Topping up your LGPS pension

Buying Additional Pension Contributions and Additional Voluntary Contributions

It is possible to pay Additional Pension Contributions (APCs) to buy some additional pension while you are an active member of the Local Government Pension Scheme (LGPS).

Cost of Additional Pension Contributions

The calculation is based on factors depending on your age now, gender and the number of whole years over which the APCs are to be paid. If you choose this option you will need to print off an election form and send it to us. We will check that the information you have entered on the form is correct, confirm the details of the APC in writing and instruct your employer to start deducting the APCs.

The factors used in the calculation are produced by the Government Actuaries department and are subject to change. The subsequent changes to any APCs currently being paid will take effect from the following April.

The maximum extra pension a member can buy via an APC is £6,755 (increases each April by Pensions Increase).

APCs can be paid as regular contributions over a minimum period of one year, multiples of whole years, or as a lump sum through a deduction from pay. These contributions will receive tax relief at source. A lump sum can also be paid direct to Peninsula Pensions, but you will need to claim any tax relief that might be due from HMRC on a self-assessment tax form. Please contact Peninsula Pensions if you are interested in this option.

If paying the cost of buying additional pension as a regular deduction it must be paid over a minimum of one year or multiples of years. It is not possible to spread the cost over a period of months. You can choose when they cease, so after 1 year, 2 years, 3 years for example, but you must cease before your normal pension age. If you are a year or less from your normal pension age (NPA) (or if you are over your NPA but under age 75) you may only pay by means of lump sum.

Each year the additional pension bought will be added to your LGPS pension account and the total amount revalued at the end of each year in accordance with the regulations.

If you elect to purchase £2,000 or more additional pension, you will need to get our medical form completed by your GP with any cost borne by yourself.

If you retire on ill-health Tier 1 or Tier 2 grounds, any outstanding APC payments will be deemed to have been paid and will be credited to your pension account to be included in your benefit calculations.

However, pension purchased by APCs will be subject to reduction or enhancement if taken before or after your Normal Pension Age (NPA) under the 2014 Scheme in all other circumstances.

Please note APCs only buy pension for yourself and do not provide additional pension for your dependants on death.

You can stop paying APCs before the end of your APC contract period and must cease if you leave the LGPS early. You will be credited with the amount of extra additional pension you had bought at that time.

An employer may, if they wish, agree to meet some or all of the cost of any additional pension purchased. This is known as Shared Cost Additional Pension Contributions (SCAPC). **Please contact your employer to find out whether their discretions policy allows this.**

**APC
Calculator**

This is an on-line calculator to find out the cost of an APC. If you are unable to use the on-line calculator please contact us for details of the cost.

Examples of how much APCs cost



Bronwyn is 25 and she wants to purchase £2,000 a year extra pension for when she retires. She wishes to pay for this over 10 years.

Bronwyn will pay £111.46 each month for 10 years totalling £13,375 to receive extra annual pension of £2,000.

Based on Bronwyn paying 20% income tax or the 40% higher tax the net cost of her additional contribution each month would be approximately:

Monthly additional contributions	20% tax payer	40% tax payer
Gross monthly additional contributions (before tax relief)	£111.46	£111.46
LESS income tax	£22.29	£44.58
Net monthly cost (after tax relief)	£89.17	£66.88



John is 59 and he has £60 spare at the end of each month. He wants to buy some extra pension for when he plans to retire at age 66. John could afford £60 each month over the next 5 years (totalling £3,600). This would purchase £229.71 of extra pension.

Based on John paying 20% income tax or the 40% higher tax the net cost of his additional contribution each month would be approximately:

Monthly additional contributions	20% tax payer	40% tax payer
Gross monthly additional contributions (before tax relief)	£60.00	£60.00
LESS income tax	£12.00	£24.00
Net monthly cost (after tax relief)	£48.00	£36.00

Paying into the 50/50 section

If you are paying into the 50/50 section of the Local Government Pension Scheme **you cannot continue or start to pay an APC unless it is in respect of a strike period.**

Additional contributions being paid in respect of old scheme purchase of service or benefits will continue at their normal rate while paying into the 50/50 section of the LGPS. This includes Added Years, ARC, ASPB and PTBB.

Buying back 'lost' pension due to authorised absences while in employment (child-related leave, for example)

See factsheet [Absences and Additional Pension Contributions](#).

Additional Voluntary Contributions (AVCs)

Additional Voluntary Contributions (AVCs) can be made by the employee or, in the case of a shared cost AVC (SCAVC), by both the employer and employee (although this is a discretion and rare). Such contributions will be either a specific monthly amount or a percentage of pensionable pay and can be up to 100% of a member's pay after statutory deductions with all contributions paid in this way attracting tax relief where applicable.

AVCs are deducted from your pay but are invested separately from the main LGPS Fund and a number of investment opportunities are available to you.

Peninsula Pensions in-house AVC arrangement is provided by Prudential. For more details visit their website at: [Prudential Website](#) or contact Peninsula Pensions (see below).

It is also possible to pay a free-standing AVC with an outside company which is completely independent of the LGPS.

Need help?

Please note Peninsula Pensions cannot give advice and it is suggested that you contact an Independent Financial Advisor if you need help in making your decision.

For more information, please get in touch using the [Contact Us](#) page on our website.