Civil Service Pensions

The Civil Service Additional Voluntary Contribution Scheme

A brief guide

This leaflet tells you how you can boost your retirement income by making additional voluntary contributions to the Civil Service Additional Voluntary Contribution Scheme (CSAVCS) and applies to members of classic, classic plus, premium, nuvos and alpha.

This leaflet provides a straightforward guide to the CSAVCS. It does not cover every aspect of the scheme; the full details are contained only in the rules, which are the legal basis of the scheme. You should note that nothing in this leaflet can override the rules and in the event of any difference, the rules will apply.

Your questions answered

What are Additional Voluntary Contributions (AVCs)?

AVCs are an extra contribution you can pay to increase your pension. The contributions are invested with a provider and your fund builds up until you can, and want to, use it.

Who are the CSAVCS providers?

The CSAVCS providers are:

- Scottish Widows (Scottish Widows' Fund and Life Assurance Society)

  and

- Standard Life (Standard Life Assurance Ltd).

The providers have a number of investment choices; you should look at their booklets and information on the investment options before making your decision.

You can choose to make AVCs to one, or both, of the CSAVCS providers.

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How do I make my contributions?

Contributions to the CSAVCS are deducted straight from your pay.

You will need to apply at least one month before the deductions are due to be made. You can increase, decrease or suspend your contributions.

What are the tax implications of paying AVCs?

You will receive tax relief on contributions across all pension arrangements you contribute to, of up to 100% of your taxable earnings. This is subject to the **Annual Allowance**.

When can I claim my CSAVCs?

Most members can claim their CSAVCS from age 55. You can take your CSAVCS even if you are still working.

How do I get my CSAVCs?

The changes following the March 2014 Budget give you more choice over how to use your CSAVC fund. From April 2015 your options will include:

- An annuity. You can take up to 25% of your CSAVC fund as a tax-free lump sum, and use the remainder to buy an annuity, a regular income paid to you for life, similar to a pension. Annuities are subject to income tax.
- Taking your full fund as cash. The first 25% is usually tax-free (subject to the limits set by HM Revenue & Customs and the Lifetime Allowance), but anything over this is taxed.
- Withdrawing part of your fund. The first 25% of the withdrawal is tax-free and the rest of that withdrawal is taxed as income. The remainder of the fund continues to be invested and can be taken at a later date. 25% of the remaining fund can be taken tax-free (either as a single lump sum or as a series of withdrawals).
- Leaving your funds invested, or using a combination of the above, to suit your circumstances.

All withdrawals are subject to the **Lifetime Allowance (LTA)**.

Some of these options may not be available using your current investments, so you may have to transfer your CSAVC fund to a different investment to make use of some of the options.

What if I retire on ill-health grounds before I reach pension age?

If you retire early on ill-health grounds, your CSAVCs will become available at the same time as your main pension benefits.

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What if I resign?

If you leave the Civil Service Pension arrangements, you will not be able to continue paying into the CSAVCS. You can leave your CSAVCS fund invested with the provider or you can transfer your fund out to another UK tax registered or Qualifying Recognised Overseas Pension (QROPS) scheme.

What if I die before State Pension age?

If you die while you are contributing to the CSAVCS, Civil Service Pensions will tell the provider. The provider will pay a lump sum to your nominee or personal representative. The lump sum will count towards your **Lifetime Allowance** and the recipient will have to pay any additional tax charges which might be payable.

Technical terms

Annual Allowance is the maximum amount of pension savings you can make across all registered pensions in any one year, which benefit from tax relief. If your pension savings in a year are more than the Annual Allowance, you might have to pay some tax on the amount over the Annual Allowance.

Lifetime Allowance (LTA) is a limit on the total amount of pension that you can build up in your lifetime before any tax charges are applied. If you have a number of different pensions, the LTA applies to the total value of all of them (except dependant's and State Pension). If you go over the LTA limit, there is a tax charge to pay.

Please contact the providers for a CSAVCS information pack:

Scottish Widows

0800 0284 419

www.scottishwidows.co.uk/civilservice

Standard Life

0800 33 33 04

www.standardlife.co.uk/civilservice

There is more information about the Civil Service Pension arrangements on the website:
www.civilservicepensionscheme.org.uk

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