

Police Pensions Scheme - AVC's

The changes

The Scottish Public Pensions Agency has advised that with effect from 1/10/2010, it intends to close the Additional Voluntary Contribution (AVC) facility which is currently part of the Police Pensions Scheme. The decision has been made after discussions at Police Negotiating Board level.

The AVC facility allows Officers in the Police Pensions Scheme to make additional contributions to top up their pension rights through an arrangement that is administered by Standard Life. The plan operates on a money purchase basis so that on retirement the accumulated value of the AVC Fund (i.e. member contributions plus investment returns) is used to purchase an annuity from an insurance company.

Once the AVC scheme is closed on 1st October, no new elections to pay AVC's will be accepted. Existing AVC members on 1st October, 2010 will be able to continue making contributions but only at the pre October level.

What should you do?

If you already contribute to the Police AVC Scheme you may wish to seek independent financial advice about whether you should continue to make contributions and also about whether you should make any change to the amount you are contributing.

If you do not already contribute to the Police AVC Scheme you may wish to seek independent financial advice about whether it would be right for you to join the scheme now, since this will not be possible from October.

You can find out more about the AVC Scheme at:

<http://www.mypensioninfo.com/viewer/login.do?uri=police>

The exact date of closure to new or increased contributions will depend on the timing of the regulations amending the Police Pensions (Additional Voluntary Contributions) Regulations 1991 but it is expected that this will be 1st October. You should therefore act on the basis that the last date to begin or increase contributions will be 30 September.

Pensions Section

Falkirk Council

25th August, 2010