

**Report to:** Pension Committee

**Date of meeting:** 24 February 2022

**By:** Chief Finance Officer

**Title:** Additional Voluntary Contributions (AVC) Report

**Purpose:** To provide an overview of the existing AVC arrangements and commentary on service provision for review.

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## RECOMMENDATIONS

The Pension Committee is recommended to:

1. Consider the service provision and options available to members
  2. Agree to a regular review of the AVC arrangements
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### 1. Background

1.1 This report has been prepared to assist the East Sussex Pension Fund (the Fund) with the management and governance of the Additional Voluntary Contribution (AVC) arrangements with Prudential.

### 2. Supporting information

2.1 AVC's are a way for Fund members to increase their benefits above their entitlement under the Local Government Pension Scheme (LGPS) based on their employment service. AVC's build a pot of money of additional benefits under an arrangement with an AVC provider. For the Fund this provider is Prudential. The contributions into AVC's are deducted from a members pay before tax, so tax relief is automatic.

2.2 **Appendix 1** provides a detailed report on the management and governance of the existing arrangements covering, Member Demographics, Investments, Service, Communications, and comments on some other AVC providers.

2.3 Overall there are no aspects of major concern, however there are 3 areas to note around the administration service performance, the strength of the provider and the default investment fund within this arrangement.

### 3 Conclusion

3.1 The Committee is asked to consider the service provision and options available to members of the AVC arrangements with Prudential and agree to a regular review of the service provision and AVC arrangements.

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