Additional Pension Saving LA(S)PS Factsheet

SCOTTISH LEGAL AID BOARD

Introduction

You can increase the amount of benefits you get at retirement by paying extra contributions. These are called Additional Voluntary Contributions or AVCs. There are four ways of doing this and each way buys you different benefits. You should always consider financial advice before entering into a financial commitment. The four methods are outlined below and then explained in detail. You may also take out an additional personal pension arrangement or join another employer's scheme if you have any further employment.

Buying Additional Pension

Under this option you elect to buy a set amount of annual pension for an agreed amount of contributions that you can choose to pay either as a lump sum or as a regular payment.

Taking out an AVC account

Your contributions are invested and build up a cash fund. When you retire you use this fund to provide additional benefits for you or for you and your Dependants. You can take some of this fund as a lump sum

Buying increased life assurance

Special terms are available through Standard Life.

Unreduced lump sum

For members who have Pensionable Service before 31 March 1973 you can buy and unreduced lump sum so that your Retirement Lump Sum is three times your pension.

Scheme fact

Members who took out or elected to take out an "added years" contract before 30 September 2010 can also by additional pensionable service by lump sum or regular payments. This is no longer available for new contracts.

Buying Additional Pension

From 1 October 2010, members of the scheme have the option to purchase Additional Pension of up to £5,000 per year. The minimum amount you can buy is £250. Forms are available from the SLAB or SPPA website.

You can choose to buy any amount of additional pension between £250 and £5000 in multiples of £250. You can choose to pay by single payment or by regular deduction from your salary. Regular deductions are taken for whole years, the minimum period is one year and the maximum is 20. You may not take a contract out to pay contributions beyond your Normal Pension Age. The value of the pension is linked to the Consumer Price Index both before and after it comes into payment.

The option can cover either:-

- An increase in the member's pension, or
- An increase to the member's pension and any pension that may become payable to a surviving partner and dependent children

Costs

The factors used to calculate the cost assume that you will retire at the Normal Pension Age 60

The costs depend on:

- Your age at the date of election
- Gender
- The amount you wish to purchase
- The way you pay for the additional pension
- Whether the pension is just for you or for you and dependents.

If you are paying a single lump sum, the monies have to be with SLAB one month after receiving acceptance of your application.

Payments by instalment will be reviewed after each Scheme valuation, therefore your instalments may increase or decrease in line with results of the valuation

Questions

If you are unclear about any aspect of this Factsheet or have a specific question that is not answered by the information above, please contact the SLAB or SPPA.