

Frequently Asked Questions

Paying Extra Webinar



Questions Asked

Can you purchase APC AND AVC as well?.....	3
Can I transfer an AVC to an APC as a block purchase?	3
How do extra contributions affect those on universal credit?	3
Can you please return to the QR code on the first slide?.....	3
If I'm paying into an APC, then made redundant with early retirement, would that be paid in full along with the other pensionable amount?	4
What is the process for using an AVC to increase a survivor's pension and what happens to the monies invested from the AVC if the spouse dies before the person who owns the AVC monies?.....	4
What are the benefits of each?	4
To use the calculator, you need to choose "Main section" or "50/50 section"- what are these?.....	5
A lot of talk at present of the Government taxing tax free lump sums etc. Is it likely they could do that and backdate for the whole pension? Could this be an automatic lump sum, conversions of pension to a lump sum, or both?	6
Useful Links and Contact Details.....	7

Can you purchase APC AND AVC as well?

Yes, you can purchase both Additional Pension Contributions (APCs) and Additional Voluntary Contributions (AVCs) in the LGPS. APCs allow you to buy extra pension benefits, while AVCs enable you to build up a pot of money with an external provider that can be used to top up your LGPS pension when you retire. Both options provide tax relief on contributions deducted from your pay, and you can choose to pay towards either an AVC or an APC. However, if you are in the 50/50 section of the LGPS, you will not be able to pay towards an APC.

Can I transfer an AVC to an APC as a block purchase?

No, you cannot directly transfer an AVC to an APC as a block purchase. These are two distinct types of pension contributions within the LGPS, each with separate rules, structures, and purposes.

How do extra contributions affect those on universal credit?

We recommend you speak to the Universal Credit team who should be able to help with this question.

Can you please return to the QR code on the first slide?

Here is the QR code and link to the APC calculator:



www.lgpsmember.org/help-and-support/tools-and-calculators/buy-extra-pension-calculator/

If I'm paying into an APC, then made redundant with early retirement, would that be paid in full along with the other pensionable amount?

If you are under your Normal Pension Age, your main LGPS benefits will not be reduced for early payment. However, if you have bought any additional pension, this will be reduced because of early payment. This applies to any additional pension paid for by:

- Additional Pension Contributions (APCs)
- Shared Cost Additional Pension Contributions (SCAPCs), or
- Additional Regular Contributions (ARCs).

You can read more about this on the LGPS website: [Additional Pension Contributions :: LGPS](#)

What is the process for using an AVC to increase a survivor's pension and what happens to the monies invested from the AVC if the spouse dies before the person who owns the AVC monies?

Please consult your pension administrator to confirm whether your AVCs can be used to purchase survivor benefits and under what conditions.

If a lump sum is to be paid from your AVC fund, we have absolute discretion over who receives it. However, it is helpful if you let us know your wishes. You can complete an expression of wish form; please make sure you review this on a regular basis and update your expression if any circumstances change.

What are the benefits of each?

We cannot give advice on which is better, as this is dependent on the individual and their circumstances.

However here is a breakdown of their different features:

Feature	APC	AVC
Type	Defined benefit (extra pension)	Defined contribution (investment pot)

Feature	APC	AVC
Flexibility	Low – fixed outcome	High – multiple options at retirement
Investment risk	None (guaranteed pension)	Yes – depends on fund performance
Available in 50/50 section	✗ No	✓ Yes
Tax relief	✓ Yes	✓ Yes
Employer contributions	Possible (Shared Cost APC)	Possible (Shared Cost AVC)
Max contribution	£8,903 pension/year	Up to 100% of pensionable pay

An APC gives you a;

- Fixed outcome: you know how much extra pension you are buying.
- Payment with or alongside your main LGPS pension.

With an AVC:

- You choose how the pot is invested.
- At retirement, you can:
 - Take up to 100% of it as tax-free cash (within limits),
 - Buy an annuity (guaranteed income),
 - Transfer it to another pension arrangement.

To use the calculator, you need to choose "Main section" or "50/50 section"- what are these?

The 'Main section' is where you pay contributions at a normal rate. The '50/50 section' allows you to reduce your contributions by half, and in return build up half your normal

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pension benefits. This is something you would have chosen to do but if you are unsure of which section of the scheme you are in, then contact your pension fund.

A lot of talk at present of the Government taxing tax free lump sums etc. Is it likely they could do that and backdate for the whole pension? Could this be an automatic lump sum, conversions of pension to a lump sum, or both?

Once the budget has taken place on 26 November 2025, LGPS funds will let members know if there are any changes to lump sums.

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Useful Links and Contact Details

<p>National LGPS member website</p>	<p>www.lgpsmember.org</p> <p>Calculators, videos, FAQs, general information about the scheme</p>
 <p>Cronfa Bensiynau CLWYD Pension Fund</p>	<p>mss.clwydpensionfund.org.uk</p> <p>pensions@flintshire.gov.uk</p>
 <p>Oxfordshire Pension Fund <small>www.oxfordshire.gov.uk/pensions</small></p>	<p>www.oxfordshire.gov.uk/business/oxfordshire-pension-fund</p> <p>Pension.services@oxfordshire.gov.uk</p>
 <p>Shropshire County Pension Fund</p>	<p>www.shropshirecountypensionfund.co.uk</p> <p>pensions@shropshire.gov.uk</p>