



MORE
REWARD



Water for the North West

Paying More Additional Voluntary Contributions

United Utilities Pension Scheme

Additional Voluntary Contributions (AVCs) are a way of paying more into your DC pot to increase the benefits you get when you retire.

AVCs work like this:



You pay extra pension contributions from your salary (above your normal member contributions). This can be a fixed amount each pay period or a one-off payment.



These are called AVCs and will be paid into your DC pot which is administered by Aegon.



The money in your account is invested in the same fund or funds as your DC pot and you can change this at any time.



When you retire, you can use the money in your DC pot to provide you with a pension or a lump sum, and under current laws up to 25% of the value of your account can be paid tax-free.

AVC FAQs:

How do I pay AVCs?

It's easy to start paying AVCs. Just go to the pensions website unitedutilities.com/pensionchange and complete the simple online form. If you are planning to make a one-off AVC payment please see the information on page 2.

Can I change how much I pay as AVCs?

Yes, you can increase, decrease or stop your AVCs at any time, by completing the online form available on the pensions website unitedutilities.com/pensionchange

Is there a limit as to how

much I can pay?

Yes, there are overall limits to what you can pay into a pension scheme. Currently, the maximum contribution you can make to UK pension arrangements in any one tax year is the lower of your taxable earnings or £40,000. This includes the value of your DB pension earned or DC contributions (you and your employers) paid during the year.

If you wish to make a payment to your AVCs which is greater than your annual allowance, then any unused annual allowance from the past three years can be added to your current year's allowance and

will also attract tax relief.

Will my employer also pay AVCs?

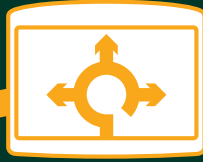
No. Before you consider paying AVCs you should make sure your current normal DC contribution rate is 7% to benefit from the maximum employer DC contributions of 14%.

What tax relief do I get on my AVCs?

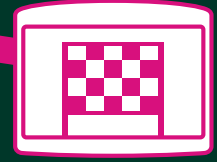
AVCs attract tax relief in the same way as your normal member contributions. For example, if you're a basic rate taxpayer and you pay in £10 in AVCs, you'll get



1: Get going



2: Decision ahead



3: Nearly there

£2 tax relief, so your AVCs will only reduce your take-home pay by £8. Additionally, if you are making regular contributions and are a member of PensionSaver, your contributions will also receive National Insurance (NI) relief. Using the same example, your £10 AVC payment will only reduce your take home pay by around £6.80. Please note, however, if you change your PensionSaver AVCs mid-year (unless this is due to a lifestyle event) you will be opted out of PensionSaver and will not get the NI saving on the AVC part of your contribution until the following renewal date (which is 1st April each year).

When can I take my AVC benefits?

Your AVCs can be used to provide you with extra benefits at the same time that you take your other pension benefits.

What happens to my AVCs if I die before retirement?

If you die before retirement, the value of your DC account and your AVCs, will be returned to your loved ones.

What happens if I leave United Utilities before I take my benefits?

Your DC account will remain invested until you decide to take it.

What charges apply to my AVC account?

The same annual management charge (AMC) applies to your AVCs as your DC pot. For more information about the AMC please go to: www.blackrock.co.uk/planinfo/unitedutilitiesmt/funds

How do I manage my AVCs?

You can check the value of your DC account, including your AVCs, at any time by logging onto the Aegon website <https://lwp.aegon.co.uk/targetplan/>

A statement will also be sent to you each year showing you the value of your account and how your money is invested.

Neither the pensions department nor Aegon can provide you with financial advice. If you'd like financial advice before deciding whether to pay AVCs, you should speak to an Independent financial adviser (IFA). You should bear

in mind that an IFA will charge for any advice given. To find an adviser in your area, visit www.unbiased.co.uk. Alternatively, the Money Advice Service is a free, independent service, set up by the Government, which provides unbiased money advice and can be contacted at www.moneyadvice.org.uk or by calling 0800 138 7777.

How do I make a one-off AVC payment?

There are two ways you can do this:

1. Via UU payroll

As with regular AVCs you can complete the online application form (unitedutilities.com/pensions/payingmore) to pay a lump sum as an AVC from your salary. You will receive tax relief at source (but do not get any NI savings, unless it is in April).

2. Direct to Aegon

The AVC can be paid by cheque or BACS using the bank details below.

Bank: **HSBC**

Account name: **Scottish Equitable plc AWI Receipts**

Receipts Account number:

91259423

Sort code: **40-02-50**

The reference to use on the BACS payment would be: 'UU149 – <surname> <your NI Number>'.

A confirmation letter will be issued to you confirming investment of the amount of monies on the investment date.

For payments direct to Aegon, any tax reclaim would be undertaken by you through self-assessment or direct with HMRC.

If you have any further queries please contact Aegon. You can view their address by clicking on the link below: <https://lwp.aegon.co.uk/targetplan/>