



# A GUIDE TO TOPPING UP YOUR PENSION

## WHAT ARE ADDITIONAL VOLUNTARY CONTRIBUTIONS?

Additional Voluntary Contributions, or AVCs, are extra savings that you can make towards your pension.

### WHAT ARE THE BENEFITS OF MAKING AVCs?

#### Boost Retirement Income:

- You can make AVCs to increase your pension benefits at retirement. You should consider building up an AVC fund at least as big as your expected tax-free lump sum. This is potentially as much as 1.5 times your salary

#### Tax Efficient:

- You will benefit from tax relief with each contribution you make (see below)
- Any growth on your AVC investment funds is tax free
- You can take up to 1.5 times your salary at retirement as a tax-free lump sum

#### Provide Additional Benefits:

- AVCs can be a great, tax-efficient way to increase your overall retirement income
- You may wish to protect your dependants in the event of your death after retirement. Adding dependants' pensions has a cost attached - your AVC pot may help with this

#### Flexible:

- You can start, vary or stop at any time; make regular and/or lump sum payments

### Tax Efficiency Table

Your AVC contributions will be subject to tax relief at your marginal rate. If you decide to make an AVC of €100 and you are on the 40% rate of tax, it means a €40 tax saving for you. Therefore a contribution of €100 will only cost you €60.

	40% tax rate	20% tax rate
Monthly payment of	€100	€100
Less tax relief <sup>1</sup>	€40	€20
<b>Net cost to you <sup>2</sup></b>	<b>€60</b>	<b>€80</b>

<sup>1</sup> The rates of 20% and 40% are the current tax rates and are subject to change. If you are a PAYE person, these are the rates that apply to you.

<sup>2</sup> Your payroll area will give the tax relief deductions at source. If you make a once-off, lump sum contribution you may need to contact your local Inspector of Taxes.



# How Do I Make AVCs?

## ▶ HOW DO I MAKE REGULAR AVCs?

As a member of Connect Pension you can make regular AVCs. The process is simple:



### Regular Payments

Complete the attached form and give it to your payroll department. Your AVCs will then be deducted directly from your salary, so you get full tax relief at source. You can change or stop these payments at any time.

## ▶ HOW DO I PAY A ONCE-OFF LUMP SUM INTO MY PENSION?

1. Fill in your details in the AVC application form overleaf and tear it off. To pay your lump sum you can either
  - a. Write a cheque for the amount you want to pay into your pension, made payable to: Irish Life Assurance plc. Send these to Connect Pension, Office 2, Grand Canal Wharf, South Dock Road, Dublin 4.

Or

- b. Pay the amount into the bank account below:

Account Name:	Irish Life Assurance plc New DC Receipts A/C
Account Address:	Ulster Bank, College Green, Dublin 2
Account Number:	05990932
Branch Sort Code:	98-50-10
IBAN:	IE23 ULSB 9850 1005 9909 32
BIC/SWIFT Code:	ULSBIE2D

Please quote the scheme number (60xxxx) in the 'beneficiary narrative' of the EFT instruction to the bank. Please also include your company name.

2. Once we receive and process your application form and payment, we will then send you a tax certificate. We will do this within ten working days of receiving the payment. The final deadline for us to receive the payment is 31 October. Keep your tax certificate for six years.
3. You must make your claim for tax relief and your personal tax return before the 31 October deadline to claim backdated tax relief for last year. The granting of tax relief is at the discretion of your local Inspector of Taxes. If you settle against this year's income, you may not get a refund by cheque, but may receive amended tax credits instead.

If you have any queries or are unsure of your details, contact your HR department or the Connect Team below.

### CONTACT US

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