

Hybrid Section

Factsheet 10 – Topping up your pension benefits

You may wish to increase your benefits by paying additional contributions into an authorised pension arrangement. The Cambridge University Assistants' Defined Contribution Pension Scheme (CUADCPS) allows you to pay Additional Voluntary Contributions (AVCs) to do just that.

INCREASING YOUR BENEFITS BY PAYING AVCs

On joining the CUADCPS, your Employer will pay 5% of your Pensionable Salary into your DC account each year. You are not required to pay any contributions into your DC account. However, you are required to pay 3% of your Pensionable Salary towards your CRB pension in the Cambridge University Assistants' Contributory Pension Scheme (CUACPS).

While there is no requirement for you to pay into your DC account, you should consider making additional contributions because it is tax efficient and will lead to a higher pension when you retire.

If you decide to pay AVCs into your DC account, these contributions will be invested in a fund of your choice along with the regular 5% contribution from your Employer.

AVC contributions will be subject to the Annual Allowance limit described below.

For more details on how Defined Contribution benefits work please refer to

[Factsheet 3– Defined Contribution Basics](#)

How do I set up my AVCs?

If you wish to start paying additional contributions into your DC account, you must give the Pensions Section at least a month's written notice of your intention and let them know how much you want to pay in. You can make payments either as a lump sum or in regular monthly instalments which are deducted from your salary.

Once set up you can increase or reduce your AVCs as your circumstances change. Again, you need to

contact the Pensions Section with one month's written notice if you wish to change the level of your AVC payments.

HMRC ALLOWANCES

Her Majesty's Revenue & Customs (HMRC) sets limits on the amount of pension you can build up each year and on the total pension you can receive when you take your benefits. These limits, which are known as the Annual Allowance and the Lifetime Allowance, are described below.

Annual Allowance

The Annual Allowance is the annual limit on the value of pension benefits you can earn each year and still receive tax relief.

The Annual Allowance is currently £40,000.

Lifetime Allowance

When you retire, the total value of all your pension benefits from all approved arrangements including the University's pension arrangements is tested against the Lifetime Allowance. Provided that the total value of your benefits is less than the Lifetime Allowance, you will not be subject to an additional tax charge.

The Lifetime Allowance is currently £1,073,100.

If you require details of the annual increase in the value of your pension please contact the Pensions Section at the address below:

The Pensions Section
Finance Division
Greenwich House
Maddingley Road
Cambridge
CB3 0TX

Questions?

If you have any questions regarding paying AVCs please contact the Pension Section at:
pensionsonline@admin.cam.ac.uk

IMPORTANT NOTE

This factsheet provides a summary of existing AVC arrangements and arrangements for making additional contributions in the future. However, your legal rights are governed by the Trust Deeds and Rules of CUACPS and CUADCPS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet. A copy of the CUACPS Rules can be found using the following link:

<https://www.pensions.admin.cam.ac.uk/cps>

More details on SEI can be found on www.seic.com or by contacting the SEI Master Trust administrator at seic@capita.co.uk.

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