



Dear Member,

Would you like more pension or tax-free cash when you retire?

I'm writing to you as part of a drive to make our members aware of how they can improve their retirement benefits by paying extra contributions.

I hope you'll take a few moments to read this letter, which is about how AVCs (Additional Voluntary Contributions) can give you more pension, tax-free cash – or both – when you retire, and how you can benefit from tax relief. **It could be worth paying AVCs even if you are relatively close to retirement.**

Now you can use AVCs to get extra tax-free cash

A change to the rules means that you can now use the 'pot' of money you build up by paying AVCs for tax-free cash when you retire, not just extra pension.

In fact you could take up to 100%* of your AVCs as a tax-free cash lump sum when you retire. Only Local Government Pension Scheme members can do this in the Public Sector.

Tax relief

If you're a taxpayer, you'll get tax relief on your AVC contributions, which means that your contributions are taken out of your pay before your tax is worked out.

Tax relief can help pay for your retirement. For example:

- If you pay basic-rate income tax, an extra £100 in AVCs only costs you £80
- If you're a higher-rate taxpayer, an extra £100 in AVCs only costs you £60

AVCs are flexible too

You can contribute up to 50%* of what you earn as AVCs, and you can stop and start, or change how much you pay whenever you like.

You can also increase your retirement pension by paying Additional Regular Contributions (ARCs). Please contact West Yorkshire Pension Fund if you're interested in this option.

Find out more

There are two ways to contact **Prudential** to find out more about AVCs (you're under no obligation to proceed):

- E-mail **wypf@prudential.co.uk** with your daytime phone number and location. Prudential will contact you to discuss your options.
- If you'd like to discuss your options now, you can phone Prudential's **The Pension Connection** on **0845 607 0077**. Lines are open 9.00am to 6.00pm Monday to Friday. Calls are charged at local rates and may be monitored or recorded for quality and security purposes.

Please quote **code 003222** when you get in touch. Prudential can't give you advice but will give you information so you can reach an informed decision.

It's never too late to make a difference to your retirement. So get in touch with them today and see how they can help you achieve the retirement you would like.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Barton', written in a cursive style.

Rodney Barton
Director – WYPF

Please note:

The above is based on Prudential's current understanding of taxation rules which may change. The tax impact will depend on your individual circumstances.

As this is an investment based product the value of your investment can go down as well as up except in the case of the Deposit Fund that keeps your capital safe. With the Deposit Fund any interest added is guaranteed and your total investment cannot fall in value. When you contact Prudential you will be provided with further details about your investment options.

When you retire, pension income will be taxed as earned income.

*Depends on certain limits set by HM Revenue and Customs.