

## Britvic Ireland Pension Schemes

### What are AVCs and how do I pay them?

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Additional Voluntary Contributions (AVCs) are simply extra contributions that you can choose to pay to top up your retirement account, over and above the standard contribution rates. They are invested in the Britvic Ireland Defined Contribution Pension Plan and attract the same income tax relief as your normal pension contributions. They are simply added to your DC retirement account, increasing the value of your pension pot accordingly and are a good way to save towards having a larger retirement account at your normal retirement age, or to be able to afford to retire early.

You may pay AVCs in a number of ways:

- **Regular deductions from payroll:** To do so, you should contact Britvic payroll to have the additional pension contributions deducted from your pay each month. As your pension deductions are taken before your income tax is calculated, you will therefore automatically receive full income tax relief on your AVCs in the same way as you already do on your normal monthly contributions, at your marginal tax rate.

Regular deductions also have the advantage that once you get used to the deduction, it will continue to work away in the background, gradually building up your retirement account over time. If you want to change your AVC deduction you should contact Britvic payroll.

- **Lump sum payments:** You may also pay a lump sum AVC if you wish. To do so you must pay the full gross AVC up-front to the pension scheme via our pension advisors, Invesco. You will then receive a receipt which can be used to contact Revenue and obtain a refund of the appropriate tax relief. Typically, the tax-relief is given for the tax-year in which you pay the lump sum AVC.

However, if you wish you can make a lump sum AVC for the prior tax year. To do so, you pay the lump sum AVC to the pension scheme in the same way as noted above, but specifying that the contribution is for the previous tax-year. Your receipt will then reflect the appropriate tax-year and you can apply to Revenue for a refund from last year's tax bill (this is often done via your annual tax return). Please note that the AVC must be paid before the cut-off date for filing tax returns for the previous year. For example, lump sum AVCs for the 2020 tax-year must be paid by the 31<sup>st</sup> October 2021 (or a slightly later date if you file your tax-return online – the exact date is determined by Revenue each year).

**Note – if you leave employment** AVCs must be paid before you finish employment. Pension contributions may not be received by the pension scheme once you have left.

If you are made redundant, redundancy payments are not Schedule E income so you may not pay AVCs from your redundancy payment. You may pay AVCs from your normal income, in the knowledge that you can afford to do so as you will receive a redundancy payment soon, however this must also be done before you finish employment.

## Is there a limit on how much I can contribute?

Yes, Revenue do apply a limit on the tax relief you can get on your personal contributions, based on your age and earnings as outlined in the table below.

Age attained in tax year	Maximum Contribution (% of Taxable Earnings)
<b>Under 30 Years</b>	15%
<b>30 to 39 Years</b>	20%
<b>40 to 49 Years</b>	25%
<b>50 to 54 Years</b>	30%
<b>55 to 59 years</b>	35%
<b>60 years or over</b>	40%

The above maximum rates include your normal weekly/monthly employee contributions plus any AVCs, whether paid via payroll or by lump sums directly to the scheme, but exclude any contributions paid by Britvic, which can be paid in addition to the above personal contributions.

The rules are set by the Revenue Commissioners and it is your responsibility to ensure that your overall contributions do not exceed the annual limits, as excess tax relief received will be recouped by Revenue. Please ensure that you stay within the limits.

Your taxable earnings for this purpose are any Schedule E taxable earnings from your employment with Britvic, capped at an overall earnings limit of €115,000 annually.

For example, a 35 year old can contribute up to 20% of their taxable earnings to the pension scheme in that tax-year and get full income tax relief at their marginal tax rate. However, if their taxable earnings exceed €115,000 then their maximum contribution would be capped at €23,000.

For more information on paying AVCs please contact Muredach Reilly by e-mail [mreilly@invesco.ie](mailto:mreilly@invesco.ie) or Stephen O'Carroll [socarroll@invesco.ie](mailto:socarroll@invesco.ie) or either by telephone 01-2947600.

The above details are correct as at 22<sup>nd</sup> February 2021, but are based on Revenue rules which are subject to change.