Understanding **retirement (AVC Extra active members)**

This guide is based on the standard process for most active AVC Extra members. The timescales and process could change depending on your personal circumstances. The process may also be different for other parts of your membership, for example your defined benefit (DB) pension.

YOU | TIMELINE | YOUR EMPLOYER | THE SCHEME

STEP 1: Plan ahead

It's never too early to plan for your retirement. Take time to use the tools on the member website to help you understand the options you have:

- Retirement Budgeting Calculator
- Online estimates

You should regularly review your investment options, contribution levels and Target Retirement Age (TRA) to plan for the lifestyle you want when you retire.

STEP 2: Discuss your plans and agree a retirement date with your employer

You must tell your employer you intend to claim your AVC Extra pot. Your employer will then start the retirement process and you will agree a retirement date.

3 MONTHS BEFORE RETIREMENT DATE

STEP 3: Your employer gives the Scheme your retirement date

Your employer will NOT be able to give the Scheme your retirement date any sooner than 3 months before you intend to retire.

STEP 4: The Scheme sends you your Retirement Option form(s)

The Scheme sends you a quotation with your available options and the form(s) you need to complete and return.

If you want to take your benefits flexibly to purchase an annuity or move to a drawdown arrangement, you will need to transfer out. You will need to let the Scheme know details of your transfer on the form.

STEP 5: Confirm your retirement option choice

Check your quotation and available options carefully.

- ☒ If you do **NOT** want to proceed, please let the Scheme know.
- ☑ If you **DO** want to proceed, please fill out and return the form.

If you want to transfer your benefits, we strongly recommend you take financial advice as there are risks to consider.

(!) It is important you review your investment choices before retirement, as your fund value can go up as well as down.

If you want to make investment changes, you will need to request these on the member website BEFORE returning your completed Retirement Option forms.

Where possible, we will disinvest funds 28 days before the retirement date and hold the money as cash, ready to pay it. This is to protect the funds against market fluctuation in the weeks leading to the retirement and enables us to pay your benefits on your chosen retirement date.

You cannot change your fund choices when there is less than 28 days to your retirement date, as funds may be disinvested at this time.

AT LEAST 1 MONTH BEFORE RETIREMENT DATE

Return the form(s) to the Scheme at least **1 month** before your retirement date, as it can take the Scheme around one month to process an application.

(!) Once you accept your quotation, you can **NOT** change your mind.

STEP 6: The Scheme receives your retirement option choice

If additional information is required, the Scheme will ask you for it.

The Scheme sends you a letter confirming receipt of your form(s).

(!) **If you have chosen to transfer out,** once your Retirement Option form is returned to us, the Scheme sends you and the scheme you have chosen to transfer to additional form(s) to complete and return.

RETIREMENT DATE

STEP 7: The Scheme confirms your benefits

Just before, or around your retirement date, the Scheme processes your retirement and transfer depending on your chosen option.

STEP 8: Congratulations – you are now retired!

If lump sum payments are due to be paid from the Scheme, you may not receive the payment on the day you retire, but it will be paid once your final contribution is received.

If you have chosen to transfer out, the scheme you have chosen to transfer to will be paid your funds on or shortly after your retirement date when your final contribution is received.

(!) All payments rely on you and the scheme you have chosen to transfer to returning your forms on time, depending on your chosen option.

STEP 9: Your employer sends the Scheme any final contributions

This will only happen once you have received your final payment from your employer.

STEP 10: The Scheme pays your final benefits and sets up payments

Your final benefits will be calculated once the Scheme has received your final contributions. Benefits will then be paid to you or the scheme you have chosen to transfer to depending on your chosen option. You will receive a letter confirming your benefits, and when your payments will be made.