

## Report of the Strategic Director

**AVC WISE**1. Purpose of report

To seek approval for the implementation of a new Shared Cost Additional Voluntary Contributions (SCAVC's) pension scheme in partnership with AVC Wise.

2. Background

For a number of years Broxtowe Borough Council (BBC) has offered employees the chance to make Additional Voluntary Contributions (AVC's) via Prudential or Scottish Widow. By working in partnership with AVC Wise employees will be able to continue making AVC's with Prudential or Scottish Widow while providing extra savings for the employees and the Council.

3. Detail

By using the SCAVC scheme with AVC Wise employees can save an additional 2% or 12%. This occurs because the employee agrees for the SCAVC amount to be in the form of salary sacrifice. Salary sacrifice does not attract tax or national insurance for the employee which in turn provides a saving. With salary sacrifice the Council will not be required to pay national insurance or apprenticeship levy contributions resulting in a saving of up to 14.3%.

The amount sacrificed by the employee is the Council's contribution to the SCAVC while the employee must contribute a nominal amount of £1.00. By both the employee and the Council contributing in this way it ensures compliance with HMRC and the other relevant bodies. Full details regarding the scheme can be found in appendix 1 and a copy of the proposal for the Council is shown in appendix 2.

AVC Wise will assist the Council in maximising the savings available whilst also assisting employees throughout the process. Services provided will include;

- Marketing of the scheme including providing presentations to staff.
- Customer services team available Monday-Friday to help employees with any queries they have regarding SCAVC's.
- Online access for employees to manage their account and the contributions made.
- Liaising with HMRC to confirm compliance.

5. Cost

The cost of the scheme will be 4.5% of the total salary sacrifice amount each month. This cost will be offset by the additional savings of 14.3% of the salary sacrifice. This ensures there's no additional cost to the council for this service with the scheme providing a net saving of 9.8% of the salary sacrifice total.

**Recommendation**

**The Committee is asked to RESOLVE that the implementation of a new Shared Cost Additional Voluntary Contributions (SCAVC's) pension scheme in partnership with AVC Wise, be approved.**

Background papers

Nil