

Pre 96 Members with AVCs



How can I use my AVCs together with my main pension?

This leaflet looks at your options if you want to use the value of your AVC account (including the value of any Additional Company Contributions) together with your main pension when you retire. (If you are considering using your AVCs separately from your main pension there are other options available. Please contact us for more information.)

1. Take all of your benefits as a pension from the Plan

Your AVC account will be converted into additional Plan pension. The amount of pension it provides will depend on the Plan's AVC conversion factors in place when you retire. These factors are set by American Express and may change from time to time.

As a guide, using the Plan's current AVC conversion rates, an AVC account of £1,000 would provide the following amounts of additional Plan pension depending on what pension features you choose:

Age	Annual Pension with spouse and increases	Annual Pension with spouse but no increases	Annual Pension with no spouse and no increases	Annual Pension with no spouse but with increases
65	£77	£100	£112	£89
60	£69	£93	£101	£78
55	£64	£88	£94	£70
50	£59	£84	£88	£64

These rates show the gross pension amount before income tax.

We currently expect that most Pre-96 Members could get a higher pension by converting their AVC account to a Plan pension than they might receive if they use it to buy a pension with the same features from an insurer. However, this may not be the case for all members and both the Plan's AVC conversion factors and insurers' annuity rates could change in future. Insurers may also be able to offer a wider range of pensions than is currently available from the Plan.

2. Take up to 25% of your benefits as tax-free cash and the rest as a lower Plan pension

Your AVC account will be used first towards your tax-free cash lump sum in order to preserve your main Plan pension. If there is any value in your AVC account remaining after you have taken your lump sum, it will be converted to additional pension from the Plan as under 1 above.

3. Transfer all of your benefits to another provider to access other options

Other providers may be able to offer you more flexibility as to how to use your AVC account when you retire. For example, they may allow you to take flexible income or a series of lump sums.

If the value of your main Plan pension is £30,000 or more, you will need to get independent financial advice before transferring. However, even if this is not the case, we encourage you to seek such advice anyway.

Please visit www.pensionsadvisoryservice.org.uk for information about how to protect yourself against pension scams

Note: This special edition and the enclosed statement only relate to the Plan's AVCs with Prudential. If you also have AVCs invested with Equitable Life, please see your separate statement from Equitable Life and our letter to you of August 2017.