

# The Trustees of the Lazard London Staff Pension Scheme

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Dear Member

I am writing to remind you of the options available to you in relation to your Additional Voluntary Contribution (AVC) benefits under the Lazard London Staff Pension Scheme:

<b>At any age</b>	<ul style="list-style-type: none"><li>– Transfer your entire AVC fund out of the Scheme – e.g. to a Self-invested Personal Pension ("SIPP")</li></ul>
<b>From age 55</b>	<ul style="list-style-type: none"><li>– Take benefits as an annuity</li><li>– Draw your AVC fund as a single or series of taxable cash lump sum payments (Uncrystallised Fund Pension Lump Sums)</li><li>– Draw part of your AVC fund as a lump sum and designate the balance for Flexi Access Drawdown (either a single or a series of taxable payments)</li></ul>

The appropriateness of any particular option will depend on your own personal circumstances.

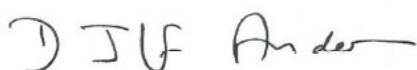
More detail about some of these options is included in the Appendix. If you would like further information in relation to your AVC benefits and the options within the Scheme, please contact Premier (the Scheme administrators) by email: [Lazard@premiercompanies.co.uk](mailto:Lazard@premiercompanies.co.uk) or call their helpline on 0800 488 0792.

Whilst the options set out in this letter are currently available, it is not possible to guarantee that this will always remain the case, as the Trustees' policy and the legislation relating to pensions may be subject to change from time to time.

When considering how to take your benefits from the Scheme, the Trustees recommend that you take appropriate financial advice. The Trustees and their advisers are unable to provide financial advice and will not be responsible for payment of any such advice that members receive. The Pensions Advisory Service ([www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)) offers free support to members of pension schemes. The Government's Pension Wise service ([www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)) can also be used to get a high level understanding of the options for using AVCs.

Please note that pension scams and fraud have been increasing during the pandemic. Therefore, alongside The Pensions Regulator, we are urging everyone to be more vigilant and exercise extreme caution at this time. Information about scams is available on the Government backed website [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

Yours sincerely



**David Anderson**  
Chairman, Lazard London Staff Pension Scheme

## Appendix – further information on some of the AVC options

### **Transfer your entire AVC fund out of the Scheme**

This may provide you with greater flexibility in terms of how you access your benefits on retirement (including the possibility of taking your fund as one lump sum) and/or in terms of investment opportunities. It can also be a way to consolidate your savings. If you would like to transfer your AVC fund out of the Scheme, please contact the Scheme administrators using the details on page one. Whilst taking advice is recommended, it is not a requirement for transferring your AVCs.

### **Draw your AVC fund as a single or series of taxable cash lump sum payments - Uncrystallised Fund Pension Lump Sums or ("UFPLS")**

The maximum number of UFPLS payments is four, with a limit of one payment in any 12 month period. The first 25% of each payment will be tax-free with the remainder being taxable at your marginal tax rate. Each UFPLS payment must be at least £30,000, except where the AVC fund value is less than £30,000, in which case the whole fund can be taken as a single UFPLS payment.

### **Draw part of your AVC fund as a lump sum and designate the balance for Flexi Access Drawdown**

Designated Flexi Access Drawdown ("FAD") funds can be drawn as either a single or a series of taxable payments. The tax treatment of each payment will depend on your personal circumstances.

If you choose to draw a series of taxable payments, you can choose how much you wish to receive and when, subject to limits of a:

- maximum of one payment in any 12 month period\*; and
- minimum (gross) payment of £30,000 at each withdrawal (or the whole of your remaining FAD fund, if less).

\*this restriction does not apply if a further payment would be your final payment, and would extinguish your AVC benefits under the Scheme.

### **Important considerations when deciding how to draw your AVC benefits**

Drawing benefits via either an UFPLS or by designating AVCs for FAD will be a Benefit Crystallisation Event ('BCE') and so will be tested against your Lifetime Allowance (LTA). HMRC has various guides on the LTA including: <https://www.gov.uk/tax-on-your-private-pension/lifetime-allowance>.

Members who have used up their LTA may not be able to take an UFPLS due to restrictions in the tax legislation. There may also be implications for members who have tax protections in respect of their service up to 5 April 2006. If you think you might be affected by this, you should seek financial advice if you are considering taking an UFPLS.

When members flexibly access their AVCs, such as by taking an UFPLS or by drawing payments from a FAD fund, their money purchase annual allowance (which is the amount of tax relieved contributions they can make to a registered money purchase pension arrangement in any tax year) will be reduced under current tax rules to £4,000 from that date.

Members will also be required to reimburse the Scheme for any costs charged by the administrators for these transactions. Members will be able to use their AVC fund to meet these charges (in which case it would effectively be paid from funds before they become subject to income tax).

If members have AVCs invested in more than one investment fund but are not taking all of their AVCs at one time, they will need to instruct Premier as to the amounts or percentages to disinvest from each investment fund.