



# National LGPS Framework for Additional Voluntary Contribution (AVC) Services and Consultancy Services Associated with Additional Voluntary Contributions

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## Specification of Requirements

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This document details the Specification which was issued to Providers when setting up the National LGPS Framework for Additional Voluntary Contribution (AVC) Services and Consultancy Services Associated with Additional Voluntary Contributions. This document is intended as a template, and you will need to customise the Specification of Requirements to suit your specific requirements. Your requirements should be captured in your Invitation to Further Competition.

To help you define your specification you should review the Provider Catalogues to understand each Provider's response to the Specification of Requirements.

## Lot 1 – Additional Voluntary Contribution Services (AVC)

The LGPS has a regulatory responsibility to offer an AVC facility for its scheme members. Each fund administers the LGPS for significant numbers of employers and multiple payroll providers. This lot is to provide a replacement or an additional AVC facility for LGPS funds including, but not limited to:

- Allow funds to meet statutory requirements of LGPS in relation to AVC facilities.
- Offer scheme members a user-friendly onboarding process.
- Liaise with funds, participating employers, payroll providers and third-party providers as necessary as part of the onboarding process including informing contracting authorities of new AVC contracts.
- Offer a broad range of investment options for scheme members including but not limited to:
  - Active
  - Passive
  - Equity
  - Bond
  - Multi-asset
  - Cash
  - Lifestyling
  - Sustainable
  - Shariah- compliant Funds
- Provide clear information regarding charges to the member.
- Offer a secure online portal (and offline facilities where required) for scheme members to manage their accounts.
- Work with payroll providers and participating employers to embed a simple and secure method of paying contributions.
- Work with funds to ensure compliance with Pension Dashboard requirements.
- Ability to facilitate shared cost AVCs where the employer requires this.

- Establish clear processes and timescales for all parties to follow covering all scenarios including:
  - Early Leavers
  - Retirements
  - Deaths
  - Transfers
  - Pensions Sharing
  
- Contract management meetings with administering authorities at intervals to be decided by the contracting authority – likely to be quarterly.
- Capability to handle contributions from numerous participating employers.
- Provision of LGPS AVC appropriate member communication and education material.
- Provide fully reconciled accounting data to the administering authority by no later than the end of May each year.
- Provide members with annual statements by the statutory deadline each year.

## Lot 2 – Advisory Services in Relation to Additional Voluntary Contributions

To provide a wide range of advisory services in relation to Additional Voluntary Contribution Services, including, but not limited to:

- Specialist advice and support to review existing AVC arrangements and options.
- Specialist advice and support to appoint and/or transition to a new AVC provider or changes of AVC investment options within an existing provider.
- Provide details and understanding of charges that may apply.
- Comprehensive review of service provision including, but not limited to:
  - Key Performance Indicators
  - Timescales
    - Service Standards on provision of information.
    - Retirement and drawing AVC.
    - Ad-hoc member values for retirement planning.
  - Annual Benefit Statements
  - Accounts
  - Shared Cost Additional Voluntary Contributions
  - Customer service offered to scheme members including communications and service portals.
- Drafting member communications e.g. when changes are made to investment options.
- Review and advise in relation to AVC fund investment options available and their performance.
- Review and advise in relation to AVC fund investment costs and charges.