Voluntary contributions

Voluntary buy-in contributions

You can increase your savings capital by paying voluntary buy-in contributions. The certificate gives details of your potential maximum buy-in entitlement. This is a provisional figure. In calculating your actual entitlement, the pension scheme takes account of any money you may have in vested benefit accounts and policies, and any assets you have in pillar 3a accounts or policies on the basis of contributions paid as a self-employed person. For this reason you must submit an application form before paying a voluntary contribution. You are not permitted to make voluntary contributions unless you have completed the form in full and received confirmation from the pension scheme.

Benefits

► Paying voluntary contributions increases your retirement capital and benefits.
► On your death your voluntary contributions will be paid out to your dependants in addition to the death benefit.
► You save taxes. Contributions can be deducted from your taxable income in the tax return for the year in question. And your capital is taxed at a lower rate when it is paid out on retirement.

Restrictions

► If you make an early withdrawal to finance your own home under the official promotion of home ownership scheme, you cannot make another voluntary contribution until you have paid back the early withdrawal. As you are no longer eligible to take advantage of the home ownership scheme if you have three years or less to go before retirement, after this point you are again permitted to make voluntary contributions.
► You cannot be paid lump-sum benefits from voluntary contributions for three years after you make the contribution.
► While it is possible to transfer 3a assets, you are given no additional tax relief when you do so, as you already benefited from tax relief when you paid the money into pillar 3a in the first place.
► Please also take account of local tax rules at your place of residence.

Additional contributions for early retirement

Retiring before you have reached regular retirement age results in substantial cuts in benefits. The pension scheme offers a special savings account that enables you to compensate for this. The balance on this account earns the same interest as your retirement capital. When you leave the pension scheme it counts as an additional vested benefit. To be able to make additional contributions for early retirement, you have to use up your normal voluntary contribution entitlement first. You must also specify the precise date of early retirement. If you retire later than this, you can only withdraw a maximum of 5% in addition to the retirement benefits you would have received on ordinary retirement without having paid additional contributions. The rest is forfeited to the pension scheme. Otherwise the same restrictions apply as to voluntary buy-in contributions.