



AVC Plan

Additional Voluntary Contribution (AVC) Plan

Operations Process Guide

Operations Process Guide

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Operations Process Guide

1. Introduction

This guide sets out the procedures to be followed in the day-to-day administration of your Additional Voluntary Contribution (AVC) plan (the Plan).

We will provide administration services in accordance with our standard procedures, as may be amended from time to time by us. This will include you supplying us with such information as we may reasonably require from time to time in an agreed format.

This guide should be reviewed in conjunction with the following documents:

- **Plan Specification** - setting out the key information about your Plan, including the main parties involved in the administration of the Plan, the services we will provide to you and any special conditions which apply to the processes described in this document.
- **Instructions Schedule** - setting out who is authorised to give Fidelity email, phone and signed instructions for the Plan and who has access to PlanViewer.
- **[PlanViewer Guide for Admin Users](#)** - covering how to complete the key tasks that admin users will carry out regularly on PlanViewer.

Please refer to the [Glossary](#) for definitions of the pension terminology used in this document.

Further information and guidance can be found at our Workplace Investment website:

[Workplace Investing - Employers](#)

[Workplace Investing - UK Employees](#)

[WI Client Help and Support](#)

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2. Enrolment

Employees can be enrolled into your Plan according to scheme rules or eligibility criteria.

For all methods, details of how to provide data to us is shown in your [PlanViewer User Guide](#). On enrolment, Fidelity will set up a pension account on our administration system and generate and issue a Welcome Pack to the member.

3. Contributions

If the plan is open to ongoing contributions, the process is as below:

| Stages | Employer | Member | Fidelity | Exceptions/ Information |
|--|---|--|--|---|
| Calculating Contribution Payments | The employer will deduct the percentage or amount of AVC as elected by the member. | <p>There are no limits on the amount of contribution any eligible member and their employer may make, but HMRC does restrict the level of contributions that can attract tax relief.</p> <p>Members are responsible for monitoring if the Annual Allowance, Tapered Annual Allowance and/or Money Purchase Annual Allowance is exceeded and for notifying HMRC that an Annual Allowance Charge (a personal tax charge) is due.</p> <p>Please refer to this link for further information.</p> | | Although contributions can be paid after a member has reached age 75, the member's contributions do not qualify for tax relief. |
| Submitting Contribution Data | <p>Contribution data should be submitted via file upload in PlanViewer (unless you have SFTP (Secure File Transfer Protocol) in place.</p> <p>If you are submitting more than one month's contributions, they should be in separate files and labelled for the correct payroll name and payment period.</p> | | We will contact you if there are any queries on the data you have submitted via PlanViewer or SFTP. We cannot invest contributions until any queries are resolved. | |

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| Payment | <p>Contributions must reach Fidelity by bank transfer no later than the 22nd of the month following that in which the contributions were deducted from pay.</p> <p>Please ensure that you have provided us details of any new joiners and that they are at an active status ahead of providing any contributions on their behalf.</p> | <p>The date of the payment for a contribution is the date on which the monies are received by Fidelity.</p> | <p>We will request payment of your contributions within two business days of you submitting your contribution data to us.</p> <p>Fidelity monitor receipt of contribution payments to ensure they are received within the regulatory timescales. We are required to report material payment failures to members and The Pensions Regulator.</p> <p>You can find out more about these requirements here.</p> | <p>A return of overpaid contributions can only be made in certain circumstances but, before this is agreed, Fidelity will consider any relevant HMRC guidance in this area.</p> |
| Investing Contributions | | | <p>Contributions received by 4pm UK time will be invested with a price date of the following business day.</p> <p>Contributions received after 4pm UK time will be invested with the price two business days after receipt.</p> | <p>Contributions will be returned to the employer if they cannot be invested, for example where new joiner information has not been received.</p> |

4. Changes to Employee Information

| Stages | Employer | Member | Fidelity | Exceptions |
|--|--|--|--|--|
| Change of Details - Active Member | <p>The employer/Lead Administrator is responsible for keeping Fidelity informed of changes to their employee's details. This includes personal details as well as items related to their membership of the plan such as movements between categories (if you have more than one). Details of how to update employees' data are in the PlanViewer User Guide.</p> | <p>If the employer allows, members can update their personal details via PlanViewer or contact Fidelity's Workplace Investing Service Centre. Alternatively, the member will be advised of the appropriate course of action (i.e. to update via their employer or Lead Administrator).</p> | <p>We will issue confirmation of changes made to the member either via post or email depending on the data item, contact information and mail preferences.</p> | <p>Neither members nor employers can update an amendment to a date of birth via PlanViewer. An employer should notify Fidelity of the amendment by emailing dcadministration@fil.com. Only the employer or Fidelity can update member name, marital status, and work e-mail address.</p> <p>The Plan Specification will show if active members cannot update their address via PlanViewer or Fidelity's Workplace Investing Service Centre. In this instance the member will be asked to contact their employer.</p> |

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| Change of Details-Deferred Member | Employers cannot update changes to these member records. Members should be directed to Fidelity to update their details. | Can update their personal details via PlanViewer or contact Fidelity's Workplace Investing Service Centre . Alternatively, the member will be advised of the appropriate course of action (i.e. to update via their employer or Lead Administrator). | We will issue confirmation of changes made to the member either via post or email depending on the data item, contact information and mail preferences. | Members cannot update their date of birth or name via PlanViewer. These can only be updated by contacting Fidelity Workplace Investing Service Centre. The Plan Specification will show if deferred members cannot update their address via PlanViewer. Members should contact Fidelity's Workplace Investing Service Centre. |
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5. Annual Renewal and SMPI Statements

If the plan is open to ongoing contributions, the process is as below:

To enable us to produce the Statutory Money Purchase Illustration (SMPI) for your members, we need to update our systems with each member's pensionable salary or total earnings and contribution information. The process for doing this is detailed below and there is also an [Annual Renewal Guide](#).

| Stages | Employer | Fidelity | Exceptions |
|---------------------------------------|---|---|---|
| Initial Data Request (IDR) | The data set required for benefit statement generation should be provided in the template that will be sent to you as part of the initial data request. The data should only be provided for those members who are active on the agreed renewal date. You should confirm if any earnings limit is applicable and the current level, if different to that detailed in your Plan Specification. | Fidelity will send the Initial Data Request (IDR) at least four to six weeks prior to the renewal date. | |
| Data Submission | Renewal data should be submitted via PlanViewer by the deadline date shown in our request or via SFTP (Secure File Transfer Protocol) if that is in place. | We will contact you if we haven't received your data by the date provided in our request. | |
| Data Queries | We will require you to help us to resolve any data mismatches by the deadline date provided in our request. | We will contact you if we haven't received your response by the date shown in our request. | |
| Statement Generation and Issue | If there is any additional text to be included on the member statements, or an insert to be included with the statements, it should be sent before the statement generation activity. It is important that member email addresses (both work and personal) are updated on their records to ensure they receive statement notifications. Members need to set up | As soon as we determine the data is correct and have no further queries, we will produce the statements. These will appear online in PlanViewer for your members, and they will be sent an email notification to confirm this. Approximately seven days after the online statement is available, a Video Benefit Statement will also be available for active members to view. | If members set their preference to not receive electronic communications the statement will be posted to them. If an email notification to a member is returned as undelivered, the statement will be posted to them. |

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| | their preferences if they want e-delivery notification. | | |
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6. Account Corrections

From time to time, corrections may need to be placed on member accounts where an error has occurred. In the event of errors identified by the employer, please contact the Service Delivery Team.

When an error occurs, both parties will discuss in detail the nature and extent of the error and Fidelity will outline the anticipated timeline to correct the member accounts affected. Where Fidelity or a fund provider have made an error, we will ensure that the affected member account is not financially disadvantaged; this may be subject to *de minimis* limits and any tax considerations. We will communicate with members as appropriate.

| Stages | Employer | Member | Authorised Third Parties | Fidelity | Exceptions |
|------------------------------------|--|---|---|---|---|
| Identification of an Error | Contact Service Delivery Team when an error is identified, providing details of the nature of the error. | Members should contact the Workplace Investing Service Centre if they believe an error has occurred on their account. | Authorised third parties should contact the Workplace Investing Service Centre if they believe an error has occurred on a member's account. | | Employer may decide to take corrective action, for example, by adjusting payroll. |
| Impact Analysis and Outcome | Upon receipt of the results of the analysis of members' accounts you will confirm if the correction should proceed and agree to the associated costs. In the event of a late contribution payment, the Trustees require that a correction is carried out. See contributions section for further details. | | | We will analyse the impact on the member account and confirm to the employer the cost of the correction as well as any associated administration charge. See note below** | If a member account gains from an error, no corrective action will be taken but there may still be associated administration charges for conducting the analysis. |

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| Corrective Action | The employer agrees to the correction and pays the amount requested (if applicable). | | | Account corrections will be carried out and confirmation will be provided when complete. | |
| Member Communications | Communications to impacted members will be agreed between the employer and Fidelity. | | | Communications to impacted members will be agreed between the employer and Fidelity. | No communication is sent to a member where the account has gained from the error. |

***Fidelity reserves the right to charge an administration fee of £100 per hour. This fee will be invoiced separately after the corrective action has been completed. Fidelity will request 110% of the loss calculated in order to cover unit price fluctuations whilst the corrective action is being taken. Any monies in excess of the amount needed to make the correction will be returned to you.*

7. Leavers

If a member leaves the employer's service or is no longer eligible to be a member of the Plan, they will become a deferred member and their benefits will remain in the Plan until retirement, death or transfer out. See your [PlanViewer User Guide](#) for further details on how to notify us of these members.

8. Transfers In

If a member makes a request, the Plan may accept transfer payments of uncrystallised benefits from:

- other UK registered pension schemes, or
- certain types of overseas plan.

Transfers in of Crystallised Funds are not permitted.

All member requests to transfer into the Plan should be directed to the Lead Administrator.

Fidelity will action authorised instructions.

9. Transfers Out

All member requests to transfer out of the Plan should be directed to the Lead Administrator.

Fidelity will action authorised instructions.

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10. Divorce

If a member is going through divorce proceedings, they should contact the Lead Administrator of the Plan. If the Court decides to opt for pension sharing on the divorce or dissolution of civil partnership, they will issue a pension sharing order (PSO), which will show the pension share as a percentage of the pension account. This amount is then available for the former spouse or partner to transfer to their chosen pension scheme or provider.

Fidelity will action authorised instructions.

11. Retirements

Members cannot normally access their pension until they have reached the Normal Minimum Pension Age (currently age 55, increasing to age 57, from 6 April 2028).

Fidelity will send notifications to the Lead Administrator notifying of forthcoming retirements at six months ahead of the normal or selected retirement age as held on the member's record.

Fidelity will action authorised instructions.

11.1 Ill Health and Serious Ill Health Retirement

Where certain conditions are met a member may be able to access their pension benefits before the Normal Minimum Pension Age (NMPA).

Members who wish to make an application for Ill Health Retirement should contact the Lead Administrator for information on the options, requirements, and process.

12. Bereavement

| Stages | Employer/Lead Administrator | Potential Beneficiaries | Fidelity | Exceptions |
|---|--|--|---|------------|
| Notification and Initial Actions | Will send an email to the Bereavement Team informing Fidelity that the employee has passed away. The email should include the following: The name, National Insurance number, date of birth and date of death of the deceased. Email should also state if funds should be switched to cash, unless a blanket instruction is in place. | Next of kin or informant may call the Bereavement Hub Service Centre to inform Fidelity that the member has passed away. | Will update the member's status and switch the pension account to the cash fund if instructed. The two-year taxable deadline will start from the date of notification to the Trustee. | |
| Disinvestment and Payment | The Trustee will send an authorised instruction to disinvest the AVC. | | Will make the payment to the Trustee bank account and send notification accordingly. | |

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| Death Benefits Reporting | | | FIL will transmit death benefits details for DC pot to HMRC for chosen beneficiaries on date of payment. | |
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13. Regulatory Responsibilities

| Stages | Employer | Fidelity |
|-----------------------------------|---|---|
| PAYE (Taxable Withdrawals) | <p>Provide the information that Fidelity requires in a timely manner.</p> <p>The Pensions Regulator outlines the timescales for employers to provide information to their Scheme Administrators in Managing a scheme - Record-keeping: employer duties: Record-keeping: employer duties The Pensions Regulator</p> | <p>Fidelity has PAYE Schemes with HMRC solely for the purposes of accounting for and paying the Income Tax due on taxable payments and will process all such cases arising under your Plan and correspond directly with HMRC with regards to the tax deducted.</p> <p>There is no requirement to issue a P11D to members who received a taxable payment or small pot commutation payment, however there is a requirement for them to be sent a P45 or P60 in these circumstances. Fidelity will submit real-time information to HMRC online regarding the payments and tax deducted and send the P45 to the member with the applicable payment. We will send them their P60 shortly after the end of the tax year in which we made the payment to them. We only use tax codes provided to us by HMRC.</p> |
| Late Contribution Payments | <p>Electronic contributions must reach Fidelity before the 22nd of the month following that in which the contributions were deducted from pay. This is a legal requirement.</p> | <p>Members receive tax relief at their marginal rate, through their employer's payroll.</p> <p>Failure to pay contributions by the legal deadlines can require Fidelity to inform the members of the past due payment of contributions (and hence of the associated tax relief) and to report the breach of law to The Pensions Regulator.</p> <p>Please see TPR's Code 5 Reporting late payment of contributions to occupational pension schemes The Pensions Regulator</p> |
| Regulatory Returns | <p>Registration Reporting: Within specified timescales, the Employer must provide The Pensions Regulator (TPR) with certain information, including:</p> <ul style="list-style-type: none"> • Details of the employer's business • Details of the plan or plans they are using to comply with the employer duties • Please see: Pension scheme reporting regulatory duties The Pensions Regulator <p>Fidelity will not undertake the registration reporting with TPR as we will not necessarily have details of all plans or have access to all required employer data. We will, however, make some of the member data required for the report available via PlanViewer - please see the 'Fidelity' column, right.</p> | <p>Information that Fidelity will provide to the employer to assist it with its regulatory reporting to TPR:</p> <p>FIL will provide the information to the Scheme Administrator to submit the following directly to HMRC:</p> <ul style="list-style-type: none"> • Accounting for Tax and Event Reporting <p>FIL will provide the information to the Scheme Administrator to transmit death benefits details for DC pot to HMRC for chosen beneficiaries on date of payment.</p> |

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| HMRC and Taxation | HMRC outlines the respective responsibilities of Scheme Administrators, members and employers in its Pensions Taxation Manual. Please see: Pensions Tax Manual - HMRC internal manual - GOV.UK (www.gov.uk) | |
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| Stages | Member | Fidelity |
|-----------------------------------|--|---|
| Annual Allowance Reporting | <p>Disclose in their self-assessment returns to HMRC the value by which pension savings across all their pension schemes in aggregate, exceeded the Annual Allowance (or the Money Purchase Annual Allowance if applicable). It is the member's responsibility to ensure they have used any applicable carry forwards relief when making their disclosure, or for calculating their Tapered Annual Allowance (if applicable).</p> <p>The member is responsible for paying their Annual Allowance Charge. However, members are permitted to authorise any of their pension schemes to pay it. Scheme Administrators are not obliged to facilitate voluntary Scheme Pays, but Fidelity does do so.</p> <p>Mandatory Scheme Pays. The member must have exceeded their Annual Allowance (AA) by at least £2,000. Please note this is the Annual Allowance and not just the Money Purchase Annual Allowance (MPAA) or Tapered Annual Allowance (TAA). The member must notify us by 31 July of the year after the tax year in which they incurred the Annual Allowance Charge (AAC), For example, if the member incurred the AAC in the Pension Input Year (the tax year) 6 April 2022 to 3 April 2023, they must notify us by 31 July 2024 if they wish us to pay it to HMRC from the Scheme. The notification deadline can be brought forwards where the member has taken all of their benefits or attained age 75.</p> <p>Notice deadline extended The 'Scheme Pays' notice deadline is extended for a pension scheme when the following applies:</p> <ul style="list-style-type: none"> • The member is given a pension savings statement for a tax year: <ul style="list-style-type: none"> – on or after 2 May in the year following that in which the tax year in question ends, and – before the end of the period of 6 years beginning with the end of the tax year in question. • The Scheme Administrator is required to give the member that pension savings statement because of a change to the member's pension input amount in relation to the pension scheme for the tax year due to either: • the Scheme Administrator receiving additional information from a third party: https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm167500, or • a change to the pension scheme rules: https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm167600) • and as a result of that change to the pension input amount, the member is able to use 'Scheme Pays' in relation to the pension scheme for the tax year in question. <p>Then the member must notify the scheme before the earlier of:</p> <ul style="list-style-type: none"> • the end of the period of three months, beginning with the day on which the Scheme Administrator gives the member the pension savings statement due to the change to the member's pension input amount, or • the end of the period of six years beginning with the end of the tax year in question. <p>Voluntary Scheme Pays basis. If the Mandatory Scheme Pays criteria are not met, Fidelity will still facilitate Scheme Pays if scheme rules allow. For example, if the member has exceeded their AA or has a tax charge of less than £2,000. Please note that the deadline for the member to inform us for Voluntary Scheme Pays is 31 August after the tax year in which they incurred</p> | <p>It is the Scheme Administrator's responsibility to disclose to members who have exceeded the standard Annual Allowance (or Money Purchase Annual Allowance if applicable) in respect of total contributions under their arrangements, following the end of the Pension Input Period (which is the tax year). The disclosure deadline is 6 October following the end of the tax year. Fidelity will provide data to the Lead Administrator to produce Pension Savings Statements, and these will be produced using the date contributions are received by Fidelity.</p> <p>Fidelity is not permitted to refund contributions to a member simply because the member has exceeded their Annual Allowance/Tapered Annual Allowance or Money Purchase Annual Allowance (whichever is applicable) including any allowance carried forward.</p> <p>Fidelity facilitates both Mandatory and Voluntary Scheme Pays. This enables the member to authorise us to pay their Annual Allowance Charge from the pension plan administered by Fidelity. For more information, please see HMRC's Pensions Taxation Manual: PTM051100 - Annual allowance: essential principles - HMRC internal manual - GOV.UK (www.gov.uk)</p> |



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| | the AAC. That is, if they incurred it in the 2022-2023 tax year (ending 5 April 2023), they must inform us by 31 August 2023. | |
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14. Fidelity Quality Controls

A copy of our AAF quality control report is available on request from the Service Delivery Team.

NOTES

1. Information assets that are proprietary to FIL, private to FIL's customers and other private or proprietary information assets and resources that, if subject to inadvertent or unauthorised disclosure, would likely cause financial, legal, regulatory, or reputational damage to FIL. Information assets take many forms including, but not limited to: electronic, printed, written, transmitted, stored and spoken.
2. Confidentiality: ensuring that information is accessible only to authorised individuals
3. Integrity: safeguarding the accuracy and completeness of information and processing methods
4. Availability: ensuring that authorised users have access to relevant information when required
5. Refer to local, national or regional regulation and legislation as appropriate
6. This shall ensure that information and vital services are available to users whenever they need them

Important information

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