



**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**

**Item No. 8**

**MEETING: HUMAN RESOURCE COMMITTEE 12 OCTOBER 2023**

---

**SUBJECT: SHARED COST ADDITIONAL VOLUNTARY CONTRIBUTIONS**

**REPORT OF: THE FINANCE DIRECTOR**

---

## **1 INTRODUCTION**

- 1.1 The purpose of this report is to request that the discretion to establish Shared Additional Voluntary Contributions schemes is exercised.

## **2 BACKGROUND**

- 2.1 The Local Government Pension Scheme (LGPS) has a provision within its regulations to allow an employee to enter into an agreement in which the employer can decide to also contribute to their employee's AVC arrangement. This is known as a Shared Cost AVC (SCAVC).
- 2.2 The current policy was to not allow an employee to enter into an agreement in which the employer can decide to also contribute to their employee's AVC arrangement.

## **3 CHANGE TO DISCRETION**

- 3.1 It is recommended that this discretion is now adopted and that this measure will be implemented under a voluntary Salary Sacrifice arrangement. If an employee enters into a SCAVC Salary Sacrifice arrangement with their employer, the employers National Insurance (NI) contribution returns to His Majesty's Revenue and Customs (HMRC) are reduced and the employee makes a saving on both NI contributions and income tax.

## **4 FINANCIAL IMPLICATIONS**

- 4.1 There are no financial implications in respect of this report.

## **5 EQUALITY AND FAIRNESS IMPLICATIONS**

- 5.1 There are no equality and fairness implications in respect of this report.

## **6 HEALTH AND SAFETY IMPLICATIONS**

6.1 There are no health and safety implications in respect of this report.

## **7 RECOMMENDATIONS**

7.1 The Authority is recommended to endorse the contents of this report and approve the discretion in relation to the proposed SCAVC.