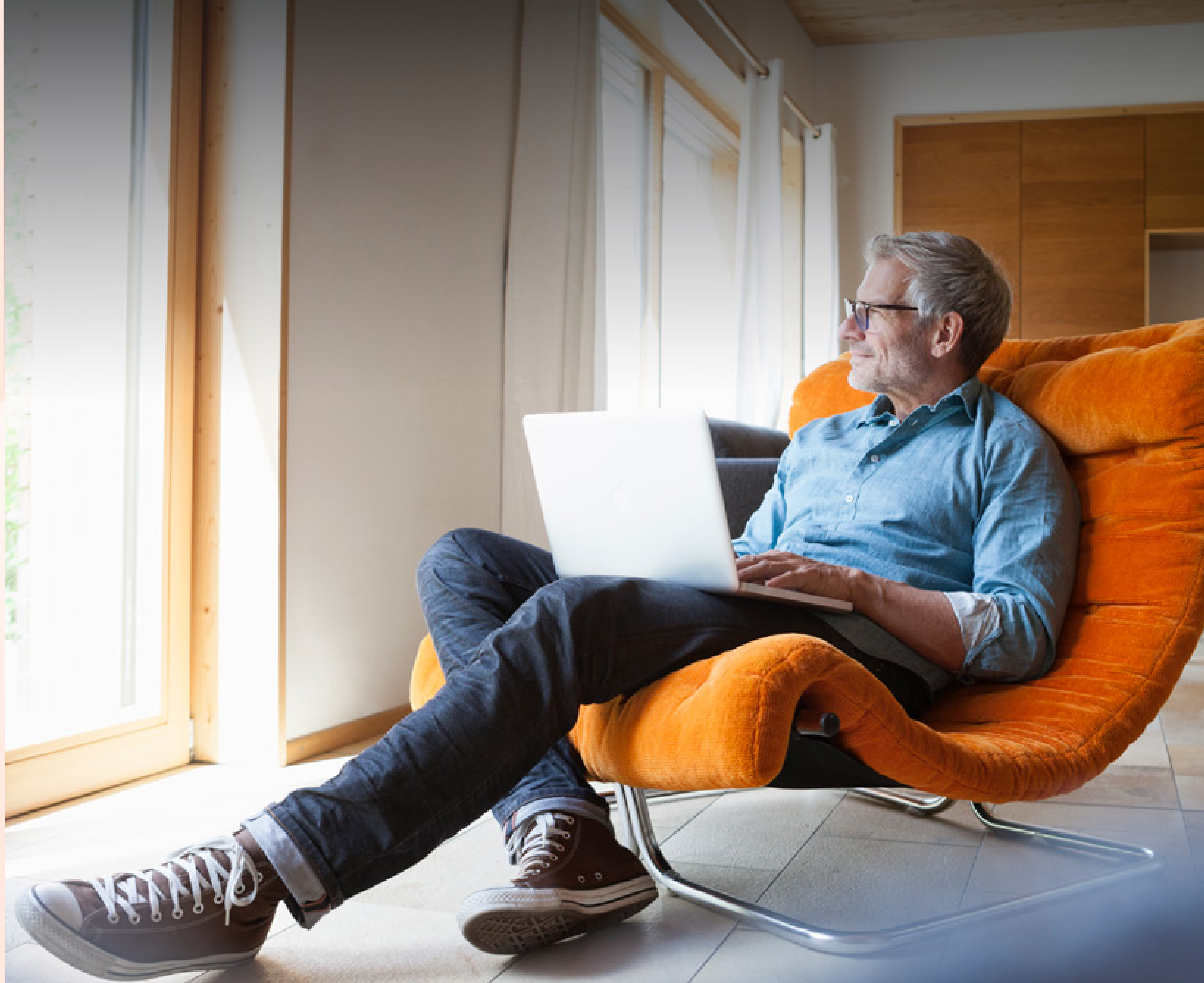
Roche Pension Fund

Bonus Choice

Find out about paying bonus into your pension



January 2023

What's the right choice for you?

We're approaching that time of year when you're looking forward to your bonus. Do you know what you'll do with it?

Many people choose to spend their bonus on a treat – like travel or an exciting purchase. But you have options. You could choose to save some or part of your bonus now in your pension pot and benefit from tax savings through Bonus Choice.

How do you plan to use your bonus?

Take as cash
On something important, now or in the near future.

If it's something pressing, and your bonus is going to make a real difference, it might be best for you to take your bonus now – as cash.

How you'll be taxed

Things to consider

See how others have done it

I'm not too sure.

Is there something important you need the cash for at the moment?

Yes → Take as cash

No

Have you considered how close you are to retirement?

If you're looking to boost your retirement savings, you can do so tax-efficiently with Bonus Choice.

Save it
I want to save it (the long-term).

If you don't need the cash right away, putting part of your bonus into your retirement pot lets you save on tax, and helps you build up your savings.

Things to consider

Understand how much you can save in your pension tax-free

See how others have done it

Want to press ahead?
Understand how your bonus will be invested and how to take part.

Using your bonus on something important, now or in the near future

We all have different financial needs and priorities.

Whether it's paying off the mortgage early, a deposit towards a new car or house or simply a treat for a job well done – we all have an idea on how we like to use our bonus. However, you may prefer to invest in your future by adding to your DC pension pot.

Here at Roche, we want you to have choice and flexibility, that's why we offer Bonus Choice.

Bonus Choice gives you the opportunity to add some, or all, of your bonus to your pension pot. Why? Because you can boost your pension while saving on tax.

For example, if you receive a bonus of £8,000, on a £40,000 yearly salary, you'll pay 20% tax on your bonus, plus 12% National Insurance, giving you a final bonus of £6,205.10.*

Salary	*Bonus*		*Tax*		*National Insurance*		*Final Bonus*
£40,000	**£8,000**	−	**20%**	−	**12%**	=	**£6,205.10***

However, if you opt to pay the full £8,000 into your pension, you'll save on the tax deductions, and the full £8,000 will be invested in your Roche Pension Account.*

Salary	*Bonus*		*Final Bonus*
£40,000	**£8,000**	=	**£8,000***

You still might prefer to take the cash – even with the tax deductions – because there's something important to pay for now, or in the near future.

You are in control – the choice is yours.

* National insurance payments are calculated on a monthly basis. National Insurance contributions are at the rate of 12% on earnings between £1,048 and £4,189 per month and 2% on earnings above that amount. Everyone's circumstances are different when it comes to tax and earnings. This is an example.

How you'll be taxed

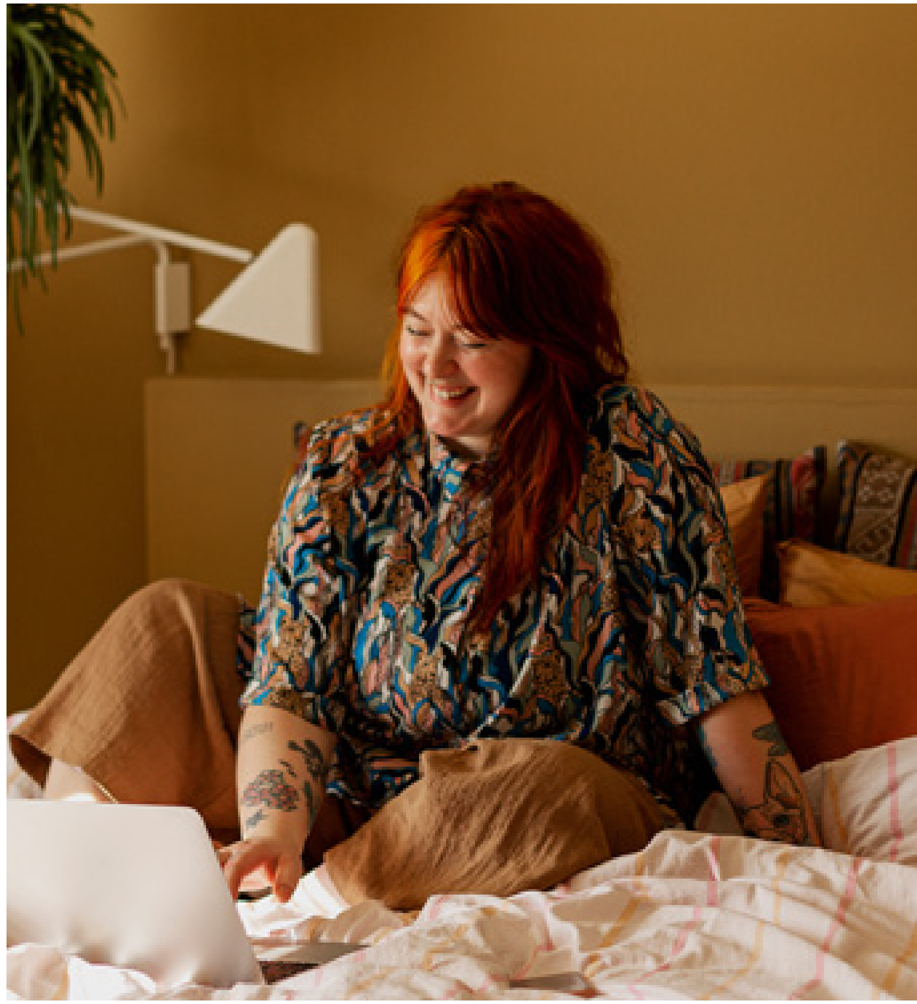
Your bonus is taxed in the same way as your salary. Depending on the size of your income, a tax rate will be deducted, plus National Insurance.

Here's a reminder of the tax brackets in the UK which apply to your total taxable income for the tax year correct at time of publishing (January 2023):

Band	*Taxable income*	*Tax rate*
Additional rate	Over £150,000	45%
Higher rate	£50,271 to £150,000	40%
Basic rate	£12,571 to £50,270	20%
Personal Allowance	Up to £12,570	0%

There are limits on how much you can pay into your pension in any single tax year tax efficiently – find out more on page 10.

To see more, visit: www.gov.uk/income-tax-rates



Things to consider

Taking your bonus as cash – rather than participating in Bonus Choice – may be good for you if:

- Your bonus is going to make a difference now to address your current financial priorities.
- These could be paying off your mortgage early, clearing debt or giving you a buffer for a rainy day.

- Your bonus will boost your future plans in the near-to-medium term.
- This could be saving for a car or deposit on a home, your children's school or university fees, a wedding or perhaps some home improvements.

- Any bonus you receive is unlikely to push you into the next income tax bracket.
- It's worth checking whether your bonus may tip you into the next tax bracket, as this will increase the level of tax you pay on any bonus you receive.

- You have already paid the maximum tax-free amount into your pension.

If there are issues more pressing than boosting your retirement savings right now, or you've decided that this isn't a priority for you at this time, taking your bonus as cash may be right for you.

If you don't have any pressing financial priorities, you're considering using your bonus as savings for retirement, or are a higher-rate taxpayer and want to benefit from tax savings, head to page 9. Here, we explain how you can boost your retirement savings and benefit from tax relief at the same time – all through Bonus Choice.

See how others have done it

Please note that if you are not a UK resident taxpayer, the tax examples below will not apply to you. Your tax situation will be different.

Meet Alia. She's eager to travel again.

Alia is a member of the DC Section of the Fund and has a Roche salary of £50,000.

She pays £2,000 a year in pension contributions (4% of her salary) via Salary Sacrifice and has £7,000 of other income.

This makes her taxable income before bonus £55,000.

Alia expects to receive a bonus of £4,000 in March 2023. She's keen to book an extended trip for late next year.

Even though making a pension contribution via Bonus Choice would mean Alia received more of her bonus overall – she feels ready to take the money now, and will not take part in Bonus Choice.

	Take the cash only	*Invest part in Bonus Choice*
Expected bonus Take as cash Pension contribution	£4,000 £4,000 £0	£4,000 £2,500 £1,500
Alia's taxable income (salary + any other income + bonus – pension contributions)	£59,000 (£50,000 + £7,000 + £4,000 – £2,000) This means Alia's whole bonus of £4,000 is taxable at 40%	£57,500 (£50,000 + £7,000 + £4,000 – £2,000 – £1,500) This means £2,500 of Alia's bonus is taxable at 40%
Tax on bonus at 40% National Insurance*	£1,600 (£4,000 x 40%) £80 (£4,000 x 2%)	£1,000 (£2,500 x 40%) £50 (£2,500 x 2%)
Net bonus after tax and NI deductions	£2,320 (£4,000 – £1,600 – £80)	£576.10 (£2,500 – £1,000 – £50)
Pension contribution	£0	£1,500
Bonus taken as cash	£2,320	£1,450
Total amount received/invested	**£2,320**	**£2,950**

* National Insurance payments are calculated on a monthly basis. National Insurance contributions are at the rate of 12% on earnings between £1,048 and £4,189 per month and 2% on earnings above that amount. In this example, Alia's annual taxable income (before bonus) is £55,000, which is equivalent to £4,583.33 monthly. As her monthly taxable income (before bonus) is already greater than £4,189 she would only pay National Insurance at the rate of 2% on any bonus payment taken as cash.

See how others have done it

Please note that if you are not a UK resident taxpayer, the tax examples below will not apply to you. Your tax situation will be different.

Meet Amit. He's in love.

Amit is a member of the DC Section of the Fund and has a Roche salary of £30,000.

He pays £1,200 a year in pension contributions (4% of his salary) via Salary Sacrifice and has no other sources of income.

This makes his taxable income before bonus £28,800.

Amit expects to receive a bonus of £3,000 in March 2023. He's excited to use the money to buy a ring to propose to his partner.

Even though making a pension contribution via Bonus Choice would mean Amit received more of his bonus overall – he's keen to take the money now and prepare to propose, and so will not take part in Bonus Choice.

	Take the cash only	*Invest part in Bonus Choice*
Expected bonus **Take as cash** **Pension contribution**	£3,000 £3,000 £0	£3,000 £2,250 £750
Amit's taxable income (salary + any other income + bonus – pension contributions)	£31,800 (£30,000 + £3,000 – £1,200) This means Amit's bonus is taxable at 20%	£31,050 (£30,000 + £3,000 – £1,200 – £750) This means Amit's bonus is taxable at 20%
Tax at 20% **National Insurance***	£600 (£3,000 x 20%) £238.90 (12% on first £1,789 of bonus taken as cash and 2% on remainder)	£450 (£2,250 x 20%) £223.90 (12% on first £1,789 of bonus taken as cash and 2% on remainder)
Net bonus after tax and NI deductions	£2,161.10 (£3,000 – £600 – £238.90)	£1,576.10 (£2,250 – £450 – £223.90)
Pension contribution	£0	£750
Bonus taken as cash	£2,161.10	£1,576.10
Total amount received/invested	**£2,161.10**	**£2,326.10**

* National Insurance payments are calculated on a monthly basis. National Insurance contributions are at the rate of 12% on earnings between £1,048 and £4,189 per month and 2% on earnings above that amount.

Saving your bonus for the long-term

We all have different financial needs and priorities.

If you're keen to save for the long-term and won't need to access your bonus for years to come, you have the flexibility to invest it now, tax efficiently through Bonus Choice.

Bonus Choice gives you the opportunity to invest some, or all, of your bonus in your Roche Pension Account. Why? Because you can boost your retirement savings while saving on tax, including National Insurance.

Say you receive a bonus of £8,000, on a £40,000 yearly salary. You'll pay 20% tax on your bonus, plus up to 12% National Insurance giving you a final bonus of £6,205.10.*

Salary	*Bonus*	−	*Tax*	−	*National Insurance*	=	*Final Bonus*
£40,000	**£8,000**		**20%**		**12%**		**£6,205.10***

However, if you opt to pay the full £8,000 into your Pension Account, you'll save on these tax deductions, and the full £8,000 will be invested until your retirement in your Roche Pension Account.*

Salary	*Bonus*	=	*Final Bonus*
£40,000	**£8,000**		**£8,000***

You still may prefer investing your bonus – instead of taking it now – as it could help you save tax efficiently for your retirement and support your retirement goals.

You are in control – the choice is yours.

* National Insurance payments are calculated on a monthly basis. National Insurance contributions for DC Section members are at the rate of 12% on earnings of between £1,048 and £4,189 per month and 2% on earnings above that amount. Everyone's circumstances are different when it comes to tax and earnings. This is an example.

Things to consider

Bonus Choice could be something to consider if:

- You don't expect to need the money until you reach minimum pension age, even in an emergency.

- You want to increase your pension savings.
- You have unused Annual Allowance from the current tax year, or the previous three tax years, and wish to take advantage of it before it is lost.
- You are close to your tax rate threshold and sacrificing all, or part, of your bonus could avoid a higher tax rate on part of your earnings, while also making a contribution to your Pension Account.
- For example, if you were close to moving from a 20% tax rate to 40%, or 40% to 45%, you may wish to consider Bonus Choice to avoid being subject to a higher tax charge.

- The bonus takes you over £100,000 of taxable earnings and erodes your personal tax-free allowance of earnings (currently £12,570).
- You receive State benefits – consider whether a bonus might tip you into the next tax bracket, as this will increase the level of tax you pay. For example, you, or a partner you live with (or will have lived with during the 2022/23 tax year), qualify for Child Benefit, or someone else gets a Child Benefit for a child living with you and they contribute at least an equal amount towards the child's upkeep, and a bonus may tip you over £50,000 of taxable earnings.

- You think you may be subject to higher tax rates in the 2022/23 tax year than in later years.
- Adding the additional Bonus Choice contributions would not exceed the limits for tax-efficient pension savings in the current tax year, or over your working lifetime.
- You are not currently affected by the tapered Annual Allowance or Money Purchase Annual Allowance, but you think you may be affected in future years.

* The earliest age you can take your benefits will depend on your circumstances. Some members who joined the Roche Pension Fund before 2006 may be able to take their benefits from age 50 if certain conditions are met. Other members will need to wait until at least the minimum pension age set by law. This is currently age 55 but is expected to increase to age 57 in 2028 and then remain 10 years below State Pension Age.

We have a separate communication to explain the rules around tax and pensions if you have a base salary of around £90,000 or higher per year.

Understand how you'll be taxed

Any bonus you choose to include within Bonus Choice, whether all or part of it, will be paid into your Roche Pension Account, tax free. This means you will not pay any tax, so long as you are within the Annual Allowance limit (please see below), on this amount until you come to take your pension savings when you retire.

However, there are other tax considerations when participating in Bonus Choice that you need to be aware of – both positive and negative:

- ✓ It may positively increase your **tax credits**
- ✓ If your income exceeds £100,000 it may allow you to keep some or all of your **Personal Allowance**
- ✓ It may mean you do not need to pay the **High Income Child Benefit Tax**
- ✗ It may push you over your **Annual Allowance** for tax-free pension savings
- ✗ It may push you over your **Lifetime Allowance** for tax-efficient pension savings.

Before you make your decision, you must consider the tax relief limits on pension contributions.
If your pension savings exceed these Allowances, you may be subject to a tax charge.

Tax credits

Tax credits were introduced to redistribute income to people on lower pay.

Participating in Bonus Choice will not reduce your tax credits compared to receiving the bonus in cash. In fact, it may mean you get more in tax credits as your income will be lower.

Tax credits calculations are complex; contact the Tax Credit Helpline on 0345 300 3900 (Monday to Friday, 8am to 6pm) to find out the precise impact of a cash bonus versus an additional pension contribution in your personal circumstances.

High Income Child Benefit Tax Charge

If you receive Child Benefit, you may have to pay a tax charge, known as the High Income Child Benefit Tax Charge, if:

- You have an individual income over £50,000, and either
- You, or your partner gets Child Benefit; or
- Someone else gets Child Benefit for a child living with you and they contribute at least an equal amount towards the child's upkeep.

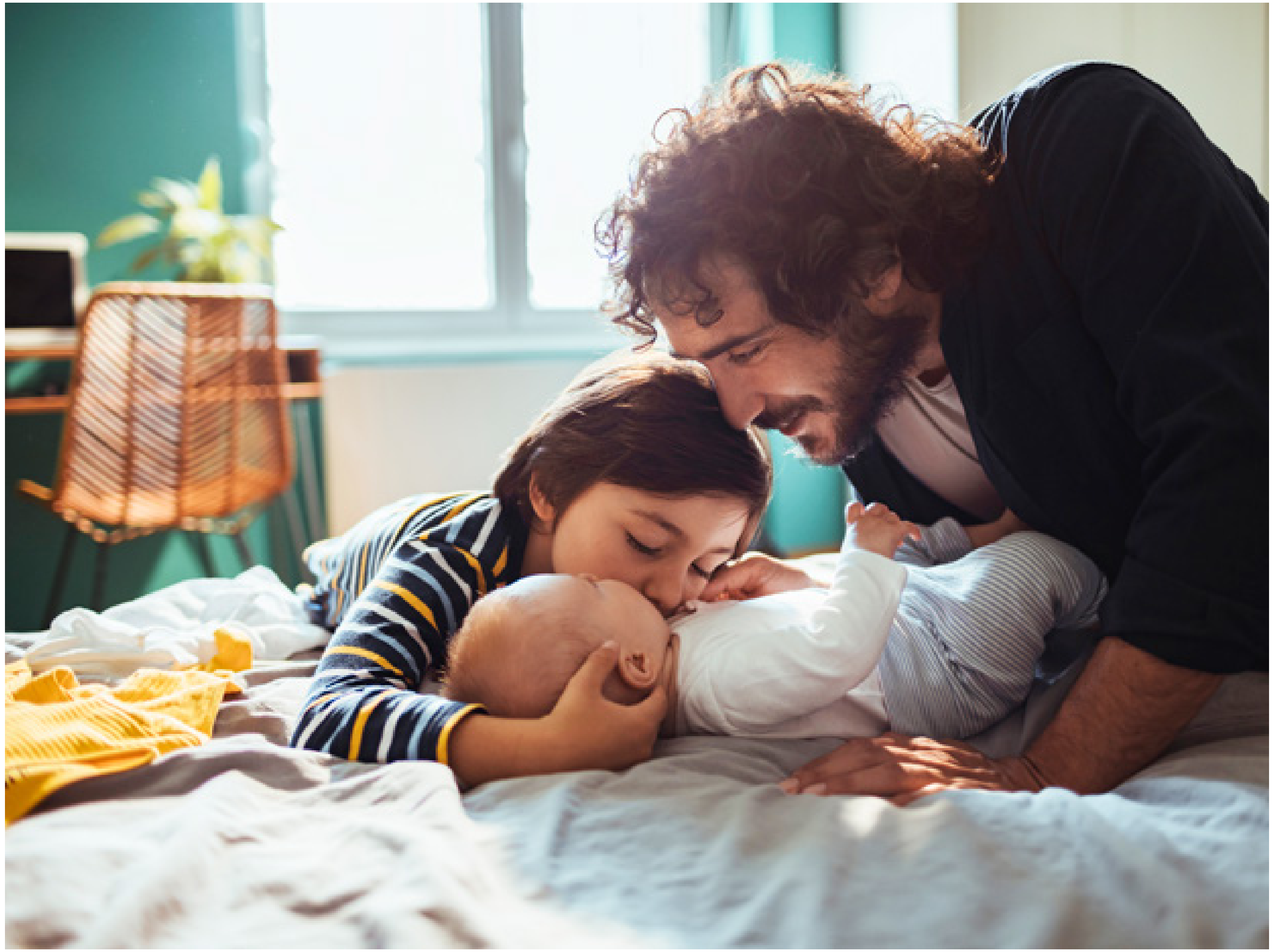
Participating in Bonus Choice may mean you do not need to pay a High Income Child Benefit Tax Charge, if it reduces your individual income to under £50,000.

Personal Allowance

The Personal Allowance gives the first £12,570 of your income in the 2022/23 tax year free from income tax.

If your annual taxable income is above £100,000, the Personal Allowance is reduced at the rate of £1 of allowance for each £2 of adjusted net income (total taxable incomes minus certain tax reliefs), over £100,000 and is reduced to nil for income above £125,140. This means that the tax rate applied to that part of your earnings within this band is 60% once the effect of reducing the Personal Allowance is factored in.

Participating in Bonus Choice will reduce your taxable income. This means you could benefit from tax relief at an effective rate of 60% (plus saving in National Insurance contributions) if your bonus, as your top slice of taxable income, would be in this band.



Annual Allowance (AA)

There is a yearly maximum amount of pension savings you can make, tax-free each year. This is called the Annual Allowance (AA).

- The standard AA is £40,000
- The AA applies to the contributions made by you and Roche (or on your behalf) in each tax year.

Taking part in Bonus Choice will increase your pension savings for the 2022/23 tax year.

If participating in Bonus Choice pushes your total pension savings for 2022/23 over the AA limit you may be able to use any 'unused' AA from the previous three tax years, enabling you to continue saving tax free.

When calculating how much AA you may have, it's important to include all contributions you (or an employer on your behalf) have made to any other pension arrangements over the past three tax years – not just those made into the Roche Pension Fund.

Check your savings are within the AA limit

If you are a member of the Defined Contribution (DC) Section of the Fund:

You will need to find out the total amount of any contributions paid by you and Roche during the 2022/23 tax year.

Log in to the Fidelity website at www.planviewer.co.uk to see your contribution history for the 2022/23 tax year to date. You can use this to help estimate your pension contributions for the full 2022/23 tax year.

Tapered Annual Allowance

Your AA may be lower than £40,000 for the 2022/23 tax year if:

- Broadly, your taxable income from all sources, plus the annual value of benefits built up in a defined benefit (DB) pension and all employer and employee contributions to a defined contribution (DC) plan during the tax year (paid by Bonus Choice or salary sacrifice), exceeds £240,000. The Annual Allowance (starting at £40,000) is reduced by £1 for every £2 of total taxable income between £240,000 and £312,000. Once your income reaches £312,000, your Annual Allowance will have reduced to the minimum of £4,000.
- You have previously drawn, or are currently drawing, an income from any of your pension savings under the flexible benefit options introduced in April 2015. This means your AA will be £4,000 for future Defined Contribution (DC) savings. These DC savings include Bonus Choice contributions, as well as any employer and employee contributions to the DC Section of the Fund, any Additional Voluntary Contributions (AVCs) and any private pension contributions that you make.

If either of these affect you, you should seek impartial advice from an independent financial adviser. You can find a financial adviser in your area at www.moneyhelper.org.uk/en

The rules for the tapered AA are complex and more information is available at www.gov.uk/tax-on-your-private-pension

If you are a member of the Defined Benefit (DB) Section of the Fund

You can check the AA value of your pension savings in the 2022/23 tax year by completing the following calculation.

Step 1

Multiply your accrued pension* at 5 April 2022 by 1.031 (this is an inflation adjustment of 3.1% based on the Consumer Prices Index (CPI) inflation in September 2021) to calculate your '**adjusted pension**'.

Step 2

Take your **adjusted pension** figure (from step 1) and subtract this from your **accrued pension*** to 5 April 2023.

Step 3

Multiply this difference (from step 2) by 16 to get your AA pension savings value (before any AVCs).

If you don't have any AVCs, you simply need to check that this value is lower than your AA.

Step 4

If you do have AVCs, you will need to add the value of any AVCs you have paid into the Fund over the tax year to your answer from step 3.

You now simply need to check that this value is lower than your AA. You can find information about the AVCs you have contributed by logging into the Fidelity website at www.planviewer.co.uk **

* You can find your accrued pension value at 5 April 2022 in last year's benefit statement, which you can access from My Total Roche.

**If you do not have your username and password, please contact Fidelity using the contact details on page 21.

Access the Annual Allowance calculator on the Government website at www.tax.service.gov.uk/pension-annual-allowance-calculator

What if I exceed the AA?

If you exceed the AA in any tax year, you will be liable to pay income tax at your marginal rate on the excess, unless you have enough carry forward of unused AA from the previous three tax years. If you have exceeded the AA you may be able to use any carry forward to offset the excess.

For DC members:

Log in to the Fidelity website at www.planviewer.co.uk to see your contribution history for previous tax years (make sure you view all of your accounts, and if you are unsure, speak with Fidelity).

For DB members:

You can request details of your pension savings with the Fund in the previous three tax years from the Fund administrator, Willis Towers Watson (details on page 21).

Lifetime Allowance

There is a maximum amount of pension savings you can make, in your lifetime, without incurring an additional tax charge. It is called the Lifetime Allowance (LTA). This applies to all your pension savings, not just your Roche pension.

- The standard LTA is currently £1.0731 million
- The LTA applies to all your pension savings, both inside and outside the Roche Pension Fund, throughout your lifetime except the State Pension
- The LTA will remain at £1.0731 million until tax year 2025/26.

Taking part in Bonus Choice will increase your pension savings for the 2022/23 tax year.

It's therefore important to make sure that your participation in Bonus Choice won't push your total pension savings over the LTA limit.

Check your savings are within the LTA

Step 1	*Step 2*	*Step 3*
Calculate the total LTA value of Defined Benefit arrangements you have (such as the DB Section of the Fund): **20 x** estimated annual pension after tax-free lump sum **+** Tax-free lump sum	Check the total value of your Defined Contribution arrangements (such as the DC Section of the Fund), all AVCs plus any personal pensions or pensions from other employers: **Total value of your DC funds**	If you have both Defined Benefit and Defined Contribution savings, you will need to add these values together to get the total LTA value. **DB + DC = LTA value** Find out more about the LTA at www.gov.uk/tax-on-your-private-pension/lifetime-allowance

What if I exceed the AA?

Benefits which exceed your LTA will be subject to an additional tax charge.

The LTA charge is:

- 25% for any excess benefits taken as pension (with the excess pension taxed as income when it is drawn)
- 55% if taken as a cash lump sum (in addition to the tax-free lump sum).

See how others have done it

Please note that if you are not a UK resident taxpayer, the tax examples below will not apply to you. Your tax situation will be different.

Meet Georg. He's thinking ahead.

He's a member of the DC Section and has a Roche salary of £30,000.

He pays £1,200 a year in pension contributions (4% of his salary) via Salary Sacrifice and has no other sources of income.

This makes his taxable income before bonus £28,800.

Georg expects to receive a bonus of £3,000 in March 2023. He's keen to put some of his bonus (£750) aside to make the most of the tax saving and the tax-free investment returns he'll earn on his savings by starting early.

Georg is surprised that participating in Bonus Choice means he can take home more of his bonus overall while still getting a good cash sum in March – and importantly, investing some money for his future.

	Take the cash only	*Invest part in Bonus Choice*
Expected bonus Take as cash Pension contribution	£3,000 £3,000 £0	£3,000 £2,250 £750
Georg's taxable income (salary + bonus – pension contributions)	£31,800 (£30,000 + £3,000 – £1,200) This means Georg's bonus is taxable at 20%	£31,050 (£30,000 + £3,000 – £1,200 – £750) This means Georg's bonus is taxable at 20%
Tax at 20% National Insurance*	£600 (£3,000 x 20%) £238.90 (12% on first £1,789 of bonus taken as cash and 2% on remainder)	£450 (£2,250 x 20%) £223.90 (12% on first £1,789 of bonus taken as cash and 2% on remainder)
Net bonus after tax and NI deductions	£2,161.10 (£3,000 – £600 – £238.90)	£1,576.10 (£2,250 – £450 – £223.90)
Pension contribution	£0	£750
Bonus taken as cash	£2,161.10	£1,576.10
Total amount received/invested	**£2,161.10**	**£2,326.10**

* National Insurance payments are calculated on a monthly basis. National Insurance contributions are at the rate of 12% on earnings between £1,048 and £4,189 per month and 2% on earnings above that amount.

Meet Livia. She's serious about saving.

She's a member of the DB Section and has a Roche salary of £80,000. Because she's a high earner, Livia checks to see whether she expects to have enough Annual Allowance (AA) available.

Livia first reviews her pension savings

She estimates her DB Section pension to be £18,000 at 6 April 2022 and £20,000 at 5 April 2023. This uses up £23,072 of her Annual Allowance (16 x (£20,000 – (£18,000 x 1.031*))

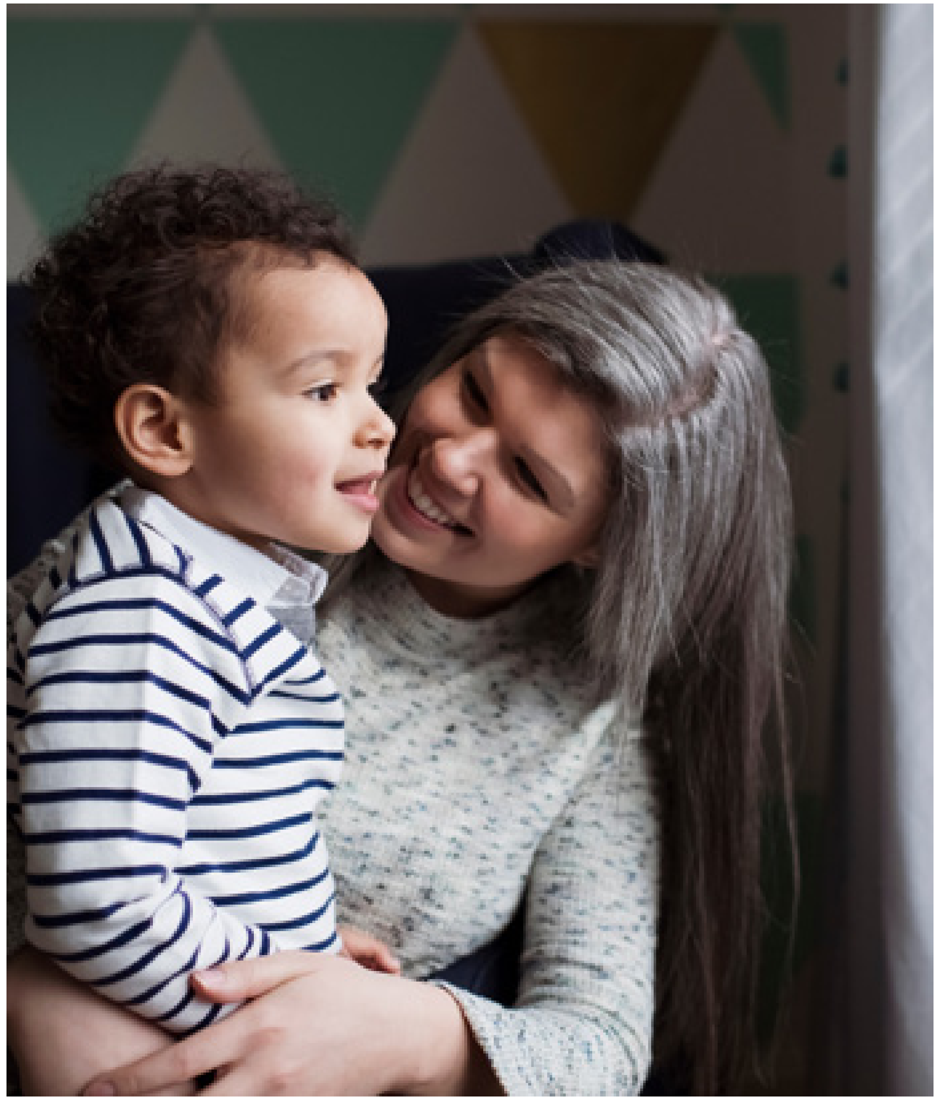
Then she checks what her AA is for 2022/23

She estimates her 2022/23 AA to be £40,000 as her total taxable income (threshold income) for the 2022/23 tax year is expected to be below £200,000.

Finally, she calculates whether she's within her AA

This means Livia has used £23,072 of the £40,000 available for the 2022/23 tax year leaving a balance of £16,928 available for other pension savings, like Bonus Choice.

Livia has also checked that she will be within the LTA.



Livia decides that she can make a pension contribution of £5,000 from her expected £10,000 bonus and be within her AA limit for 2022/23.

* CPI for the 12 months to September 2021 was 3.1%.

Meet Livia. She's serious about saving *[continued]*

Livia's total taxable income is £95,000 (including her call allowance but excluding her pension contributions).

She expects to receive a bonus of £10,000. This would bring her taxable income for the year up to £105,000, which would mean she would begin to lose her Personal Allowance as this is over the £100,000 threshold.

Livia is keen to participate in Bonus Choice for a contribution of £5,000, as she wants to benefit from any potential tax savings.

For Livia, it's a no brainer. She wants to save for retirement and doesn't need the full £10,000 now or expect to need it in the near future and already has some medium-term savings and an emergency fund. So she decides to participate in Bonus Choice for this year.

	Take the cash only	*Participate in Bonus Choice*
Expected bonus Take as cash Pension contribution	£10,000 £10,000 £0	£10,000 £5,000 £5,000
Livia's taxable income (salary + bonus – pension contributions)	£105,000 (£95,000 + £10,000) Because Livia's taxable income is over £100,000, she loses £1 of her Personal Allowance for each £2 of taxable income over £100,000. This has the effect of moving £2,500 income from the 0% tax band into the 40% tax band.	£100,000 (£95,000 + £5,000) Livia retains the whole of her Personal Allowance because her total taxable income is not over £100,000.
Additional tax	£1,000 (£2,500 x 40%)	£0
Tax at 40% National Insurance*	£4,000 (£10,000 x 40%) £200 (£10,000 x 2%)	£2,000 (£5,000 x 40%) £100 (£5,000 x 2%)
Net bonus after tax and NI deductions	£4,800 (£10,000 – £1,000 – £4,000 – £200)	£2,900 (£5,000 – £2,000 – £100)
Pension contribution	£0	£5,000
Bonus taken as cash	£4,800	£2,900
Total amount received/invested	**£4,800**	**£7,900**

* National Insurance payments are calculated on a monthly basis. National Insurance contributions are at the rate of 12% on earnings of between £1,048 and £4,189 per month and 2% on earnings above that amount.

Want to press ahead?

If you decide you would like to participate in Bonus Choice, you will need to:

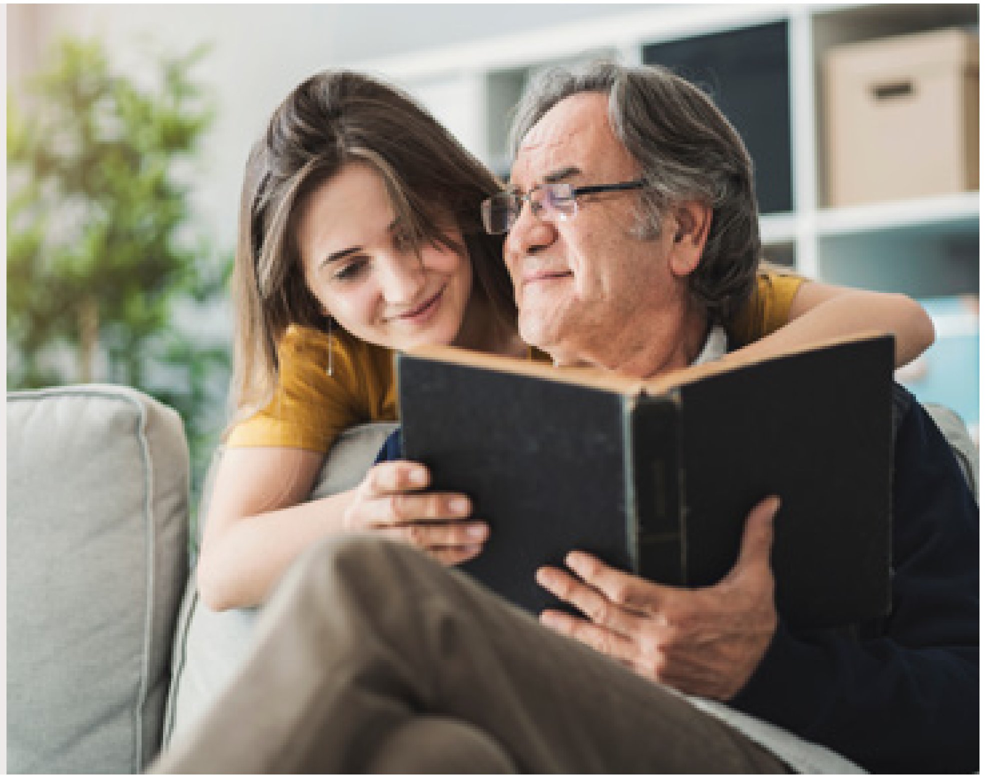
1. Log into My Total Roche
2. Go to Benefits and click on the Bonus Choice tile
3. Confirm your Bonus Choice selection no later than **5 February 2023** to ensure your bonus contributions can be processed
4. Consider how you want the Bonus Choice contribution to be invested, see page 19.

The Roche bonus scheme is discretionary and notification to participate in Bonus Choice does not guarantee that Roche will make bonus awards. Roche will decide whether to offer Bonus Choice in future years and will notify you accordingly. Notification to take part in Bonus Choice this year does not commit you to any future year. If you are eligible to receive a bonus in a future year, you will need to re-elect to take part in Bonus Choice again at that time.

Important note

These matters are complex. We therefore strongly encourage you to seek impartial advice from an independent financial adviser. You can find a financial adviser in your area at www.moneyhelper.org.uk/en/pensions-and-retirement

Be aware: Once the Bonus Choice deadline has passed and you have submitted a participation form, it will not be possible for you to change your mind about this year's bonus.



Understand how your Bonus Choice will be invested

You can choose where you would like your Bonus Choice contributions to be invested. They are invested separately from any DC Section contributions or AVCs you may have. This means that you can invest your Bonus Choice contribution differently to how any DC Section contributions or AVCs are invested.

If this is your first Bonus Choice contribution

Your contribution will be invested in the default strategy for the Bonus Choice Section, which is the **Roche Lifestyle Strategy Targeting Cash**. It aims to help prepare you for withdrawing some or all of your pension as cash at retirement.

The **Roche Lifestyle Strategy Targeting Cash** will initially invest your savings in the 'growth phase' until eight years before your Target Retirement Age. The 'growth phase' aims to grow your Pension Account as much as possible. Your Pension Account will begin to switch 20 years before your Target Retirement Age, from investing solely in equities to including multi-asset investments, to continue growing your Pension Account while reducing risk.

From eight years until your Target Retirement Age, your Pension Account will start investing in lower-risk funds to better protect it from sudden falls in value.

Fidelity will write to you shortly after your Bonus Choice contribution has been submitted with details of your username and password. You can then go online at any time to change where your Bonus Choice contribution is invested, should you wish.

If you want to select your own investment strategy before your Bonus Choice contribution is automatically invested in the default strategy, please instruct Fidelity on where to invest your Bonus Choice contribution by calling 0800 3 68 68 68. Alternatively, if you already have a Pension Account with Fidelity you can log in and change your investment strategy using this username and password.

You have until 6 March 2023 to instruct Fidelity on where to invest your Bonus Choice contribution. You will be able to switch your investment strategy after this date by contacting Fidelity (note that a small transaction cost will apply if you opt to move investments after this date).

Your investment options at a glance

If you would like to take charge of your own investment strategy, you may want to consider the Self-select fund options. Alternatively, you can choose from the following Lifestyle Strategies:

- Roche Lifestyle Strategy Targeting Cash (Bonus Choice default)
- Roche Flexible Retirement Lifestyle Strategy (income drawdown)
- Roche Lifestyle Strategy Targeting Annuity.

The Roche Lifestyle Strategy Targeting Cash is the default option for your contributions if you do not specify where to invest your Bonus Choice or you have not specified in your PlanViewer account where you would like your future Bonus Choice contributions invested.

For more information about each of the Lifestyle strategies, as well as the range of Self-select fund options available, please refer to the DC Section Investment Guide which is available on the intranet.

If you've previously made a Bonus Choice contribution

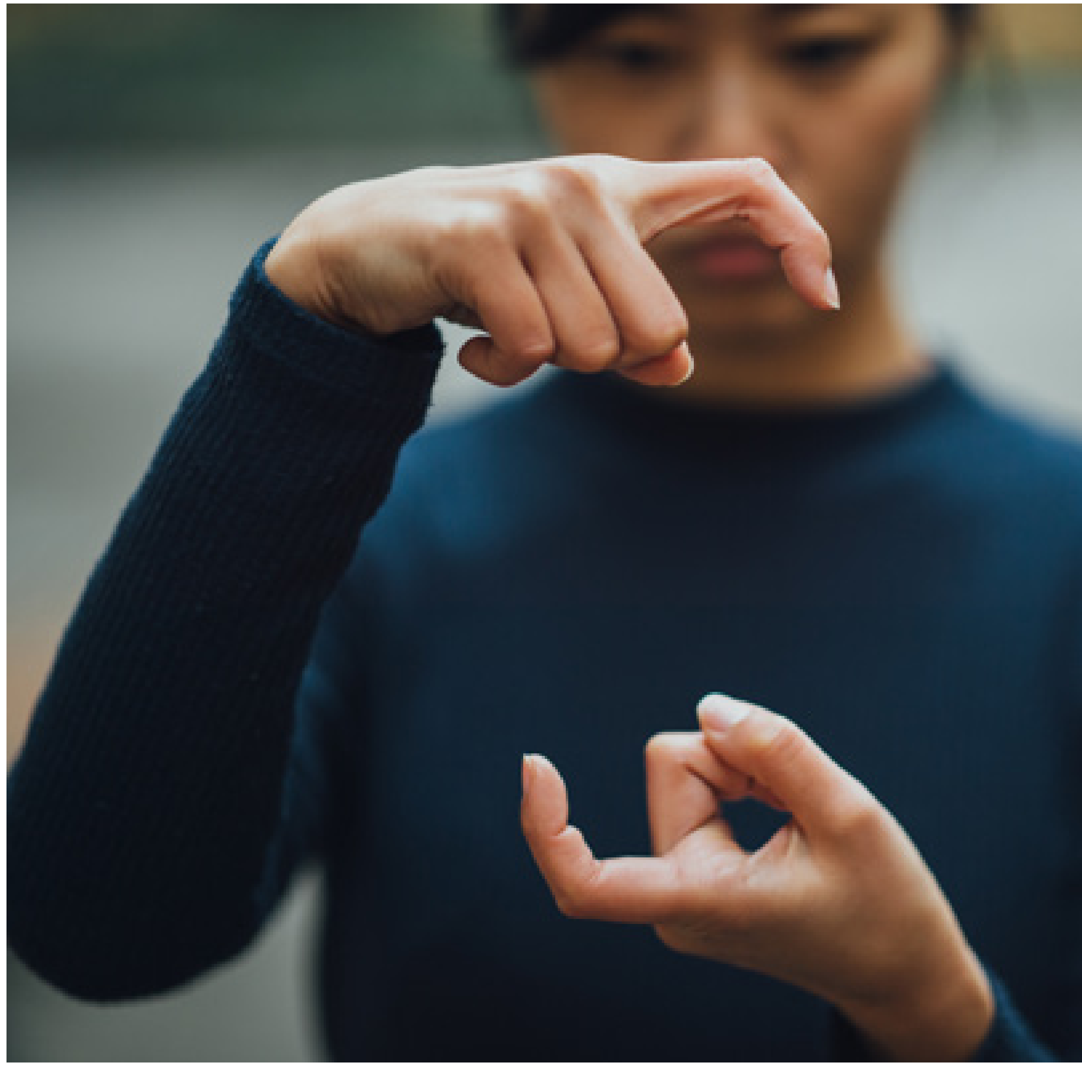
If you have specified how future Bonus Choice contributions should be invested in your PlanViewer account, your Bonus Choice contribution for this year will be automatically invested in accordance with your past instructions.

If you want to invest your Bonus Choice contribution in a different fund choice, you have until 6 March 2023 to instruct Fidelity on where to invest your Bonus Choice contribution.

You can do this by:

- Logging into your Pension Account online at www.planviewer.co.uk (using the username and password previously issued to you), or
- Calling Fidelity on 0800 3 68 68 68.

If you don't choose where to invest your Bonus Choice contribution by **6 March 2023** and you have not specified how future Bonus Choice contributions should be invested, it will be invested in the default strategy. However, you can change your investment at any time in the future.



Get in touch

For members of the Defined Benefits (DB) Section of the Fund

You can request details of your DB Fund pension savings in previous tax years from the pension administrator, Willis Towers Watson (by no later than 7 February 2023).

rochepensions@willistowerswatson.com

01707 607 608

For members of the Defined Contribution (DC) Section of the Fund

You can find information on your DC Pension Account through Fidelity's PlanViewer.

www.planviewer.co.uk
(please note you will need your password)

0800 3 68 68 68 or +44 1737 838 585 from outside the UK (8.00am to 6.00pm from Monday to Friday)

pensions.service@fil.com

Previous Benefit Statements

Find your previous benefit statements on My Total Roche.

Tax Credit Helpline

For any general enquires on tax, or to find out if you qualify for tax credits, contact the Tax Credit helpline by:

www.gov.uk/manage-your-tax-credits

0345 300 3900
(8.00am to 6.00pm from Monday to Friday)