



Roche Pension Fund

DB Section – Scheme leaflet for members paying AVCs

Introduction

The Defined Benefit Section (DB Section) of the Roche Pension Fund (the Fund) provides the opportunity to pay Additional Voluntary Contributions (AVCs) to help increase your retirement income, tax efficiently. AVCs work in a similar way to Defined Contribution (DC) benefits - they are paid into an AVC Account set up in your name with Fidelity International, the DC provider of the Roche Pension Fund.

This leaflet provides you with an overview of AVCs and how they work, in a way that we hope you will find easy to follow. If you have any questions please contact your HR representative or the DB administrator, Willis Towers Watson. Details are on the back page.

Why invest in AVCs?

- Generally speaking, paying AVCs is a tax-efficient way to save for retirement.
- AVCs are normally made through salary sacrifice, which is where your pay is reduced by your AVC level and the Company makes the contribution to your AVC Account on your behalf.
- You choose how much to pay, either as a percentage of your earnings or at a fixed rate.
- The value of your AVC Account when you retire depends on the amount of AVCs paid in and how your money is invested.

The Annual Allowance (AA) is the total amount of tax free pensions savings that you can save each year. The standard AA is £40,000, but may be as low as £10,000 if your earnings are over £110,000 per year. Before paying AVCs, you may want to check that your contributions do not exceed the Annual Allowance (AA) when combined with the annual increase in value of your DB Section pension over the year to 5 April.

In addition, the Lifetime Allowance (LTA) is the total value of pension benefits that you may build up during your lifetime tax efficiently. The standard LTA is currently £1 million for the 2017/18 tax year. You may wish to check the total value of your DB benefits (as well as any Bonus Choice payments you may have made) before paying AVCs.

If you think you may be affected by the AA or LTA, you should seek impartial financial advice.

How to pay AVCs

- You have the option to start paying or change your AVCs amount during the annual enrolment period using My Total Roche, which can be accessed via the intranet. You can also stop your AVCs at any time through logging into My Total Roche
- To start paying AVCs outside of the annual enrolment period, please contact your HR representative using the contact details at the end of this leaflet.

Investments

- You are able to choose where your AVC Account is invested – this is a very important decision as it will impact the value of your AVC Account.
- You have the same investment options as those under the DC Section of the Fund, which are outlined below.
- There are three Lifestyle Strategies, as well as a Self-select option for those who wish to manage their own investments.
- A lifestyle strategy aims to manage some of the risks around investing for you, as they change what you are invested in over time. The Lifestyle Strategies offered are:
 - Roche Lifestyle Strategy Targeting Cash (default)
 - Roche Lifestyle Strategy Targeting Annuity
 - Roche Lifestyle Strategy Targeting Income Drawdown.
- The Self-Select option is designed for members who wish to actively manage their AVC Account.
- The value of your AVC Account is not guaranteed and may go down as well as up depending on the returns achieved by the funds in which it is invested.
- You should regularly review your investment decision to check that your strategy is still appropriate – especially if your requirements change. You can switch between the investment funds at any time, free of any charges, by visiting www.planviewer.co.uk. You will need your User name and Password to access your Pension Account. Fidelity will send these to you directly.
- For more information on the investment options available to you, please refer to the Investment Guide available on Fidelity International's website, PlanViewer.

Options at retirement

You may take your AVCs separately or at the same time as your DB benefits. When you reach retirement you have the following options available:

- **AVCs as tax-free cash** – if you take your DB and AVC benefits at the same time, you may use your AVCs to fund your 25% tax-free cash lump sum, before swapping some of your DB pension for your cash lump sum. If your AVCs are more than your tax-free cash entitlement, you can choose what to do with the remainder from the options below.
- **(Taxed) Cash Lump Sum** – you may take the full value of your DB AVCs as one or more cash lump sums separately to your DB benefits. If taking your DB and AVC benefits together and using your AVCs for your tax-free cash, you have any remaining AVCs after taking your full tax-free cash amount, you can take the remainder as one or more cash lump sums.
- **A guaranteed income** – a regular income provided by a pension provider (also known as an Annuity).
- **Income drawdown** – this is where you take income from your AVC Account, as and when you wish.
- Or, a combination of the above.

You may need to transfer your AVCs out of the Fund to access all options. As you approach retirement, Willis Towers Watson will write to you with full details about your retirement options from the DB Section.

Retirement age

The Normal Retirement Age is 65 for the Roche Pension Fund. If you wish to take your AVCs before you reach 65, please update your retirement age by logging into PlanViewer. This will ensure that your AVC Account is invested correctly if you have chosen one of the Lifestyle Strategies. If you also wish to take your DB benefits before age 65, please ensure you contact Willis Towers Watson at least six months before you plan to retire. Contact details are on the back page.

You may also retire after age 65 if you choose. Again, if you are taking your AVCs after 65, please ensure that you have updated your target retirement age on PlanViewer.

If you leave Roche

- If you leave the Company before you retire, your AVCs will continue to be invested in your chosen funds and move in line with those investments, until you retire.
- Alternatively, you may transfer your AVCs out of the Fund to another pension plan. This can be done either independently or along with a transfer of your pension entitlements out of the DB Section.

Protection for your Dependants

If you die before taking retirement, the full value of your AVC Account at the date of your death will be paid your dependant(s) at the discretion of the Trustee. This is in addition to your DB benefits detailed in the DB Section Guide.

Bonus Choice

- As well as AVCs, you can also elect to switch all or part of any discretionary bonus to a tax-free Company pension contribution through Bonus Choice.
- You have the flexibility to change how your Bonus Choice payment is invested each year; it does not have to match the way you invest your AVC Account.

For more details about Bonus Choice, you can request a copy of last year's Bonus Choice booklet from your HR representative, or you can access it from PlanViewer.

Financial Advice

By law, the Company and the Trustee cannot give you any advice on your choice of retirement benefits and options. If you are unsure of what you should do, we recommend seeking financial advice from an impartial financial adviser. You can visit www.moneyadviceservice.org.uk for more information about financial advice or www.pensionwise.gov.uk for more information about your options.

Finding out more

The Company and the Trustee are committed to ensuring that members have all the information they need. In addition to this leaflet, the following items are issued to members:

- the full DB Section Scheme booklet;
- a DC Section Investment Guide;
- the Bonus Choice booklet;
- an annual benefit statement, which gives details of your benefit record; and
- regular Trustee Report, which extracts the key items of news from the formal Trustee Annual Report and Accounts.

Contact details

If you have any questions after reading this leaflet, please contact your HR representative using the relevant email address:

Welwyn Garden City (Pharmaceuticals) – welwyn.hr_support@roche.com

Burgess Hill (Diagnostics): burgesshill.payroll@roche.com

Burgess Hill (Diabetes Care): burgesshill.dchr@roche.com

Or you can write to:

UK HR Reward
Roche Products Limited
Hexagon Place
6 Falcon Way
Shire Park
Welwyn Garden City
Hertfordshire AL7 1TW

Or you can contact Willis Towers Watson, the DB administrator by:

Emailing: rochepensions@willistowerswatson.com

Phoning: 01707 607608

Writing to:

Roche Pension Fund
PO Box 545
Redhill
Surrey RH11YX

Or you can contact **Fidelity International** by:

Phoning:

0800 3 68 68 68

(8.00am to 6.00pm from Monday to Friday)

Visiting:

www.fidelity.co.uk or you can access your **Pension Account** at www.planviewer.co.uk

Emailing:

pensions.service@fil.com

Writing to:

Fidelity International Pensions Service Centre
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP