



A guide to your **retirement options**

DC Section

INTRODUCTION

If you're starting to think ahead to the day you can retire, this guide will help you understand what happens as you approach retirement and your options for using the savings you've built up in your defined contribution (DC) pension account in the Roche Pension Fund.

You might have pensions in other schemes, with different features, so it's important to understand how all of these elements can work together to provide you with an income in retirement.

First of all, you need to understand when you can take your retirement savings. Different arrangements have different rules around when you can take your money, so make sure you understand them.



Secondly, you need to decide how to use the savings that have built up in your pension account. You can usually take up to 25% of your retirement savings as a tax-free payment, with flexibility over how to use the rest to provide an income:



Drawdown – you decide how much income you receive and when, keeping the balance of your savings invested. This option requires you to transfer some or all of your Roche savings to a pension scheme that offers pension drawdown.



Annuity – you buy a regular, guaranteed income for life (an 'annuity') by transferring some or all of your Roche savings to an insurance company that offers annuities. You can also buy an annuity for a fixed term – say 10 years.



Cash – you take your Roche savings as one or more cash lump sums. If you wish to take more than two cash lump sums, you'll have to transfer your Roche savings to a pension scheme that offers this option. In certain circumstances, you may be able to take the whole amount as a small pot payment.

There's more detail about these options on **pages 5-8**, and on **page 9** we explain how you can mix and match them to suit your needs.

UNDERSTANDING YOUR RETIREMENT AGE

Your normal retirement age is 65 – this is the default retirement age for the Roche Pension Fund. However, if this default age isn’t right for you, you can set your own target retirement age on PlanViewer.

It’s important we have the right retirement age for you, especially if your account uses ‘lifestyling’ – an approach that automatically changes your investments as you get closer to retirement, with the aim of reducing risk.

- ▶ If you’re planning to retire later than the age saved on your pension record, your investments will move into lower risk funds too early and you may lose out on potential growth.
- ▶ If you’re planning to retire earlier than the age saved on your pension record, your investments will stay invested in higher risk funds for longer, meaning your savings could be exposed to any sudden downturn in market conditions.

If you choose your own investments, then it’s up to you to decide how to de-risk your pension account as you approach retirement, if that’s important to you.

It’s a good idea to review your retirement age regularly to make sure it’s still in line with your plans.



Click here for an overview of some of the terms relating to retirement age you may come across.

Our interactive tool provides more details about the different age-related terms you might come across during your membership of the Fund. Click on a term on the left to see the explanation appear in the box on the right.

State Pension Age (SPA)



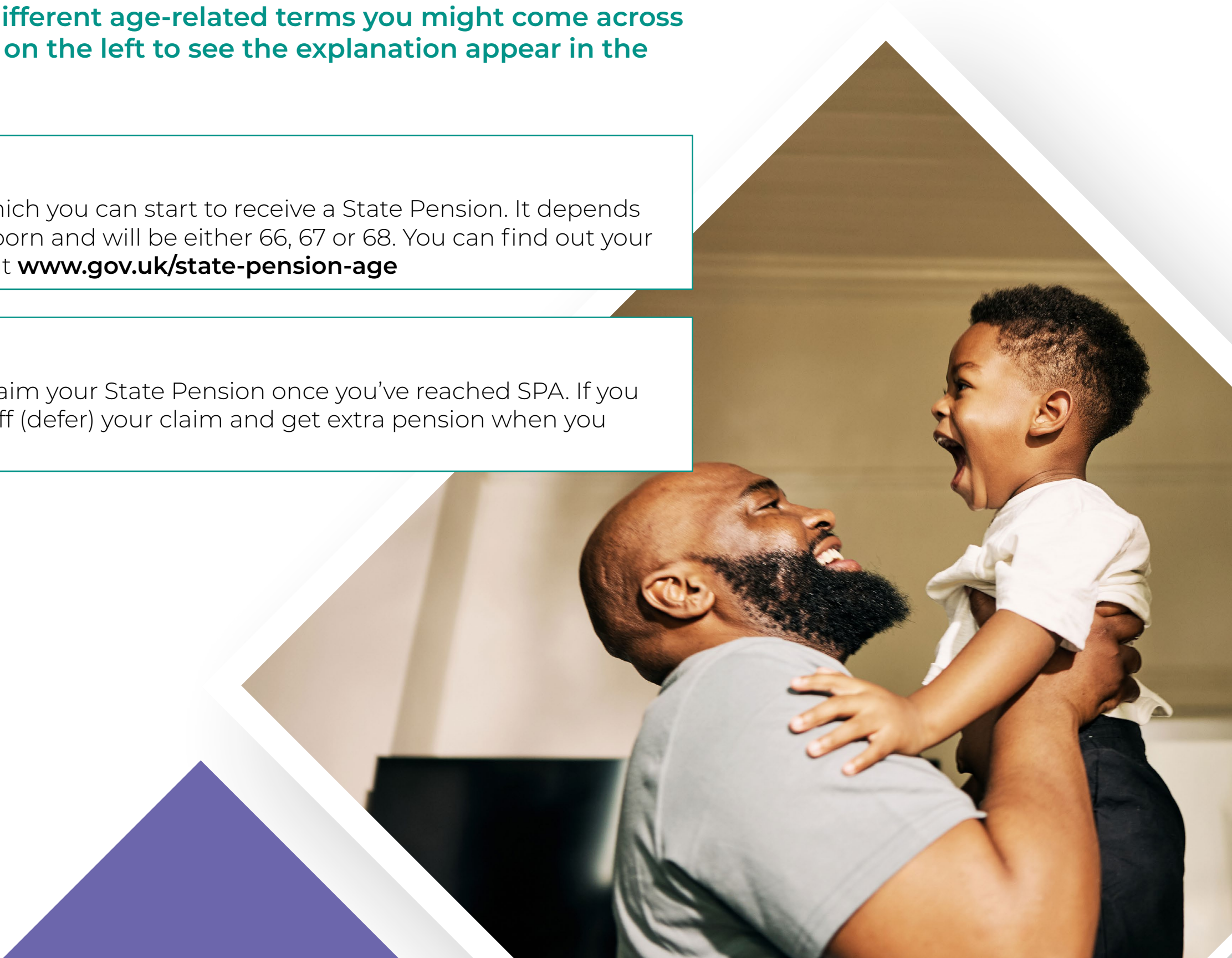
What is it?

This is the age at which you can start to receive a State Pension. It depends on when you were born and will be either 66, 67 or 68. You can find out your State Pension Age at www.gov.uk/state-pension-age



Can I change it?

You don't have to claim your State Pension once you've reached SPA. If you want, you can put off (defer) your claim and get extra pension when you do claim.



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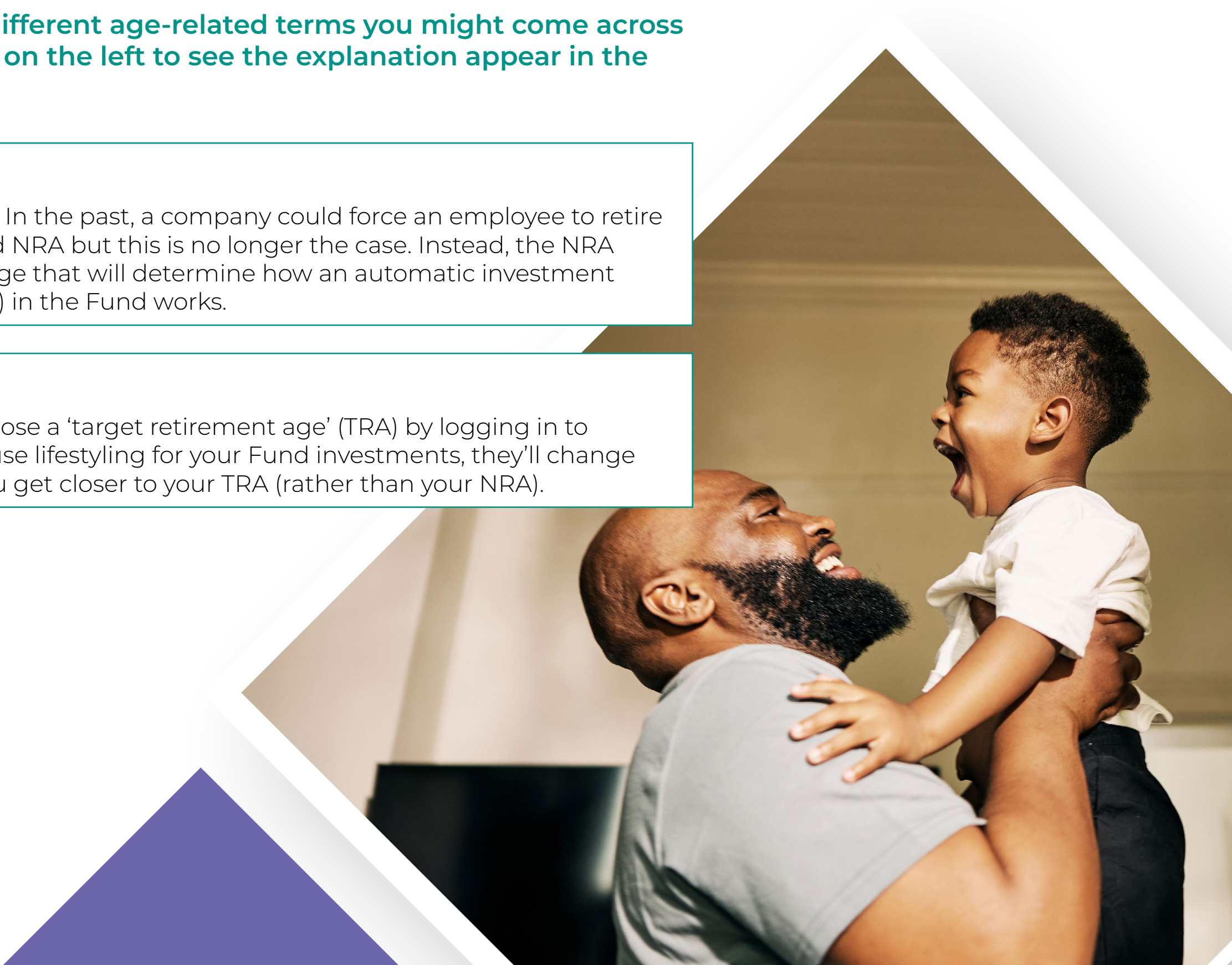
Normal retirement age (NRA)



What is it?
This is set by Roche. In the past, a company could force an employee to retire once they'd reached NRA but this is no longer the case. Instead, the NRA is now the default age that will determine how an automatic investment strategy ('lifestyling') in the Fund works.



Can I change it?
No, but you can choose a 'target retirement age' (TRA) by logging in to **PlanViewer**. If you use lifestyling for your Fund investments, they'll change automatically as you get closer to your TRA (rather than your NRA).



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What is it?

The age, chosen by you, that you are aiming to retire at. This replaces the NRA set by Roche and if you use an automatic investment strategy for your pension investments ('lifestyling'), it determines how those investments change as you get closer to retirement.

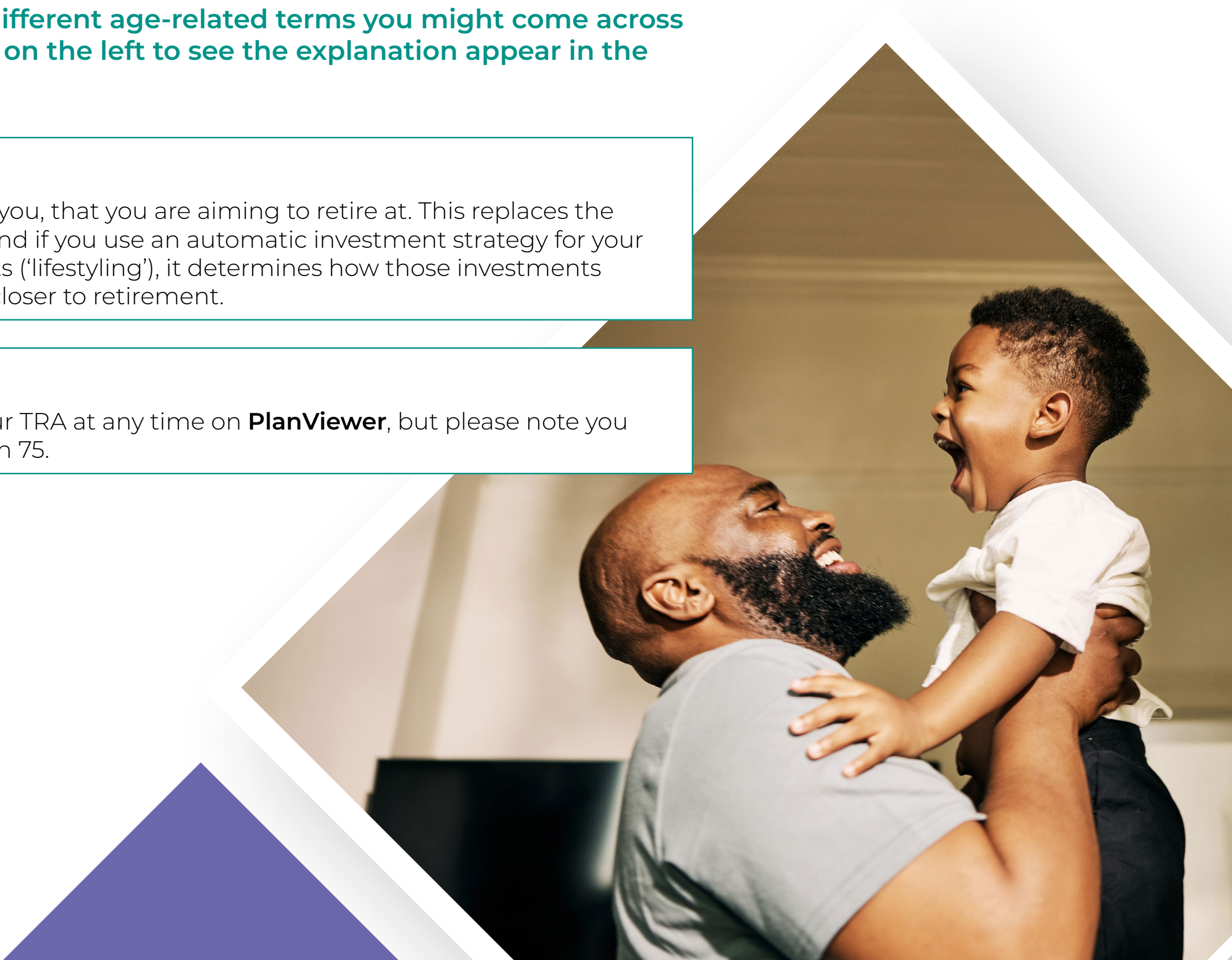


Target retirement age (TRA)



Can I change it?

You can change your TRA at any time on **PlanViewer**, but please note you can't retire later than 75.



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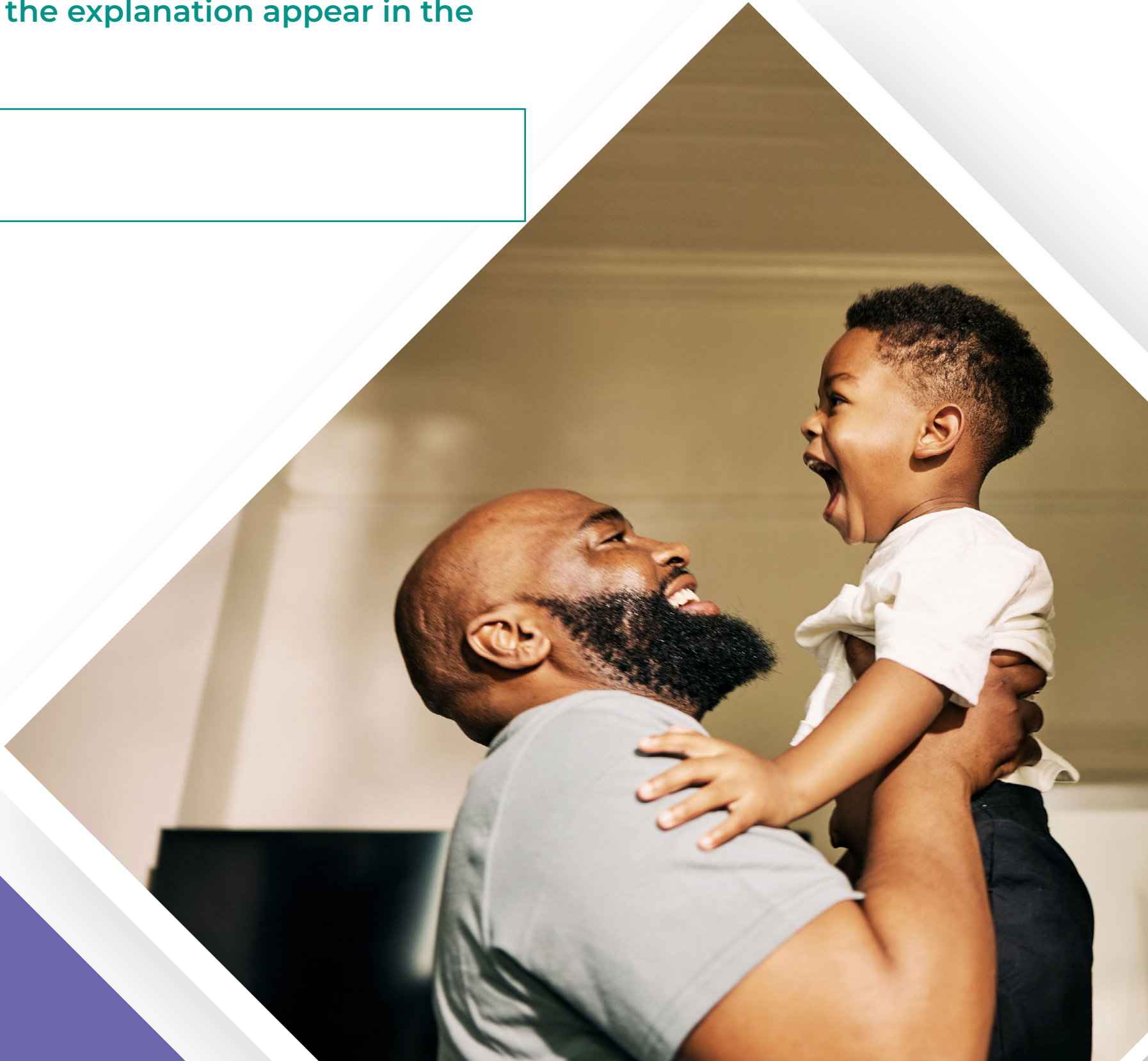


What is it?

See NMPA below for an explanation.



Protected pension age (PPA)



Our interactive tool provides more details about the different age-related terms you might come across during your membership of the Fund. Click on a term on the left to see the explanation appear in the box on the right.

Normal minimum pension age (NMPA)



What is it?

This is set by the government and is the earliest age that you can draw your pension without being penalised. However, depending on when you joined the Fund, you may be exempt from recent increases in the NMPA and have what is called a ‘protected pension age’ (PPA).

- ▶ If you joined the Roche Pension Fund after 4 November 2021, your NMPA is 55 and it will rise to 57 from 6 April 2028.
- ▶ If you joined the Fund between 6 April 2006 and 3 November 2021, you have a PPA of 55 – so you won’t be affected by the planned increase in the NMPA to 57.
- ▶ If you joined the Fund before 6 April 2006, you have a PPA of 50. This means you weren’t affected the last time the NMPA went up (from 50 to 55) and you won’t be affected by the latest increase to 57 either.



Can I change it?

You can’t change your NMPA, but if you have a protected pension age (PPA) and transfer your benefits out of the Fund, this could impact your PPA and you may have to wait until later to take your benefits.

Also, to be able to take your benefits early from the Fund using your PPA of 50, you would generally need to stop working for Roche and take all your benefits at the same time (including your DC benefits if you have built up benefits in both the DB Section and the DC Section of the Fund).

So, before you make any decisions about taking or transferring your Fund benefits, make sure you fully understand the impact of your choices on your PPA.

YOUR RETIREMENT OPTIONS

The Roche Pension Fund offers a number of flexible options for taking your benefits. On the one hand that's great, but it also means you have more to think about!

It's possible you may have more than one type of account in the Fund. For example, in addition to your main DC pension account (which includes any DC AVCs you have paid), you might also have a Bonus Choice account if you agreed to sacrifice some of your annual bonus into the Fund. If you were previously a member of the DB Section and paid AVCs, you might also have a separate DB AVC account and separate Bonus Choice account.

The Fund allows you to mix and match your retirement options across your different accounts, which gives you even more flexibility to use the money in the way that works best for you.

1

Tax-free lump sum

Under current rules, you can take up to 25% of your pension account as a tax-free lump sum.

Some pension schemes allow their members to withdraw the full tax-free part of their pension account and keep the balance invested. However, this is not possible in the Roche Pension Fund. We can only pay the full 25% tax-free amount to you in one payment if you're withdrawing all of the money in your pension account as a cash lump sum (see **option 4**).

If, however, you transfer all of the money in your account to a drawdown provider (**option 2**) and/or an annuity provider (**option 3**), you could access the full 25% as a tax-free lump sum (paid by the new provider). Then, any subsequent payments outside of your tax-free cash lump would be taxed as income.



2

Drawdown/flexi-access drawdown

This is where you keep your retirement savings invested and take money out as and when you need it. This isn't available directly from the Fund, so you would need to transfer your pension account to another pension arrangement that offers this option.

Your drawdown income can be set up as a regular, taxable monthly income, or you can take out sums of money as and when you want (also taxed as earned income).

Your drawdown payments would count towards your lump sum allowance (see **page 12**) – and they would also trigger the money purchase annual allowance (MPAA). The MPAA restricts the amount of tax-efficient contributions you can pay into a defined contribution scheme to a maximum of £10,000 each tax year.

Because your money is still invested, there is the opportunity for it to grow and provide a greater income in retirement than you might get with an annuity. However, there's also the risk that you spend more than your investments make and so run out of money. The more you take out in the early years, the less you'll have later on. So, if you take too much out, you might not have enough money to live on in later life.

The pension scheme you choose may also take money out as charges, so you need to be sure you understand how these costs will work.

If, after a few years, you decide you want the security of a guaranteed income, you can use what's left in your drawdown account to buy an annuity.

Whatever you decide, we suggest you consider getting independent financial advice first. You can use some of the money in your pension account – tax-free – to pay for the advice. See **page 13** for details.



3

Annuity

An annuity is an agreement with an insurance company. You pay over your pension account to the insurance company and it pays you a guaranteed income, which is taxed under PAYE, for the rest of your life (or for an agreed period, say 10 years).

There are many different types of annuity available. The most common ones are:

- ▶ An income for your life only, which does not get increases.
- ▶ An income for your life only, which gets increases to protect it against the rise in the cost of living.
- ▶ An income for you, which then continues to your dependant if you die before them, and which does or does not get cost-of-living increases.

Different insurance companies have different 'rates' for their annuities, which means you might get a smaller income from Insurer A than Insurer B, for the same amount of money in your pension account. You should shop around to get the best annuity for you.

You can get a higher income if, say, you're in poor health or a smoker. To qualify for one of these 'enhanced' annuities, you have to provide details of your health and lifestyle and you may need supporting evidence from your doctor.

It's important to remember that once you've bought an annuity, you can't change your mind or change the level of income or the basis on which the annuity is provided (for example, whether it increases or provides a pension to a dependant after your death). Also, on your death, unless your annuity includes provision for a dependant's pension, the insurance company keeps the money.



4

Cash

The Fund allows you to withdraw your pension account as a cash lump sum. This type of payment is known in the pensions world as ‘uncrystallised funds pension lump sum’ (UFPLS).

If you take the money in your pension account as an UFPLS payment, the first 25% will be tax free and the rest will be taxed as income at your marginal rate. This withdrawal would count towards your lump sum allowance (see **page 12**) – and it would also trigger the money purchase annual allowance (MPAA). The MPAA restricts the amount of tax-efficient contributions you can pay into a defined contribution scheme to a maximum of £10,000 each tax year.

Small pots

If the total value of your Fund benefits is less than £10,000, you can take it all as a one-off ‘small pot’ cash payment. A small pot differs from UFPLS because it doesn’t count towards your lump sum allowance.

Multiple cash lump sums

You may also take a partial withdrawal, where you can keep your account invested and access your cash lump sum in two payments (up to the age of 75). However, you must leave at least £10,000* in your account after the first withdrawal, and when you take the second payment, you must empty the account.

If you want to be able to take your pension account as UFPLS payments over more than two payments, you’ll need to transfer the money out of the Fund to a pension arrangement that offers this option.

If you’re considering UFPLS, it’s important to understand how tax might affect you. You might end up paying more tax than you expect, if your cash withdrawal from the Fund pushes you into a higher tax band for that tax year.

*Unless the Trustee, in its absolute discretion, agrees otherwise.

MIX & MATCH: YOUR RETIREMENT OPTIONS IN ACTION

The Roche Pension Fund offers ‘single retirement options’ (where you take all the money in each account in the same way at the same time) and ‘dual retirement options’, which give you more flexibility to mix and match.

Use the buttons below to scroll through your options.

Single retirement options



Transfer

Transfer your pension account to another pension scheme to access either drawdown or multiple cash lump sums.



Cash

Withdraw the money in your account as a cash lump sum; any tax-free cash you wanted to take would be paid out by the Fund (max 25%).



Annuity

Buy an annuity with your account; any tax-free cash you wanted to take would be paid out by the new provider (max 25%).

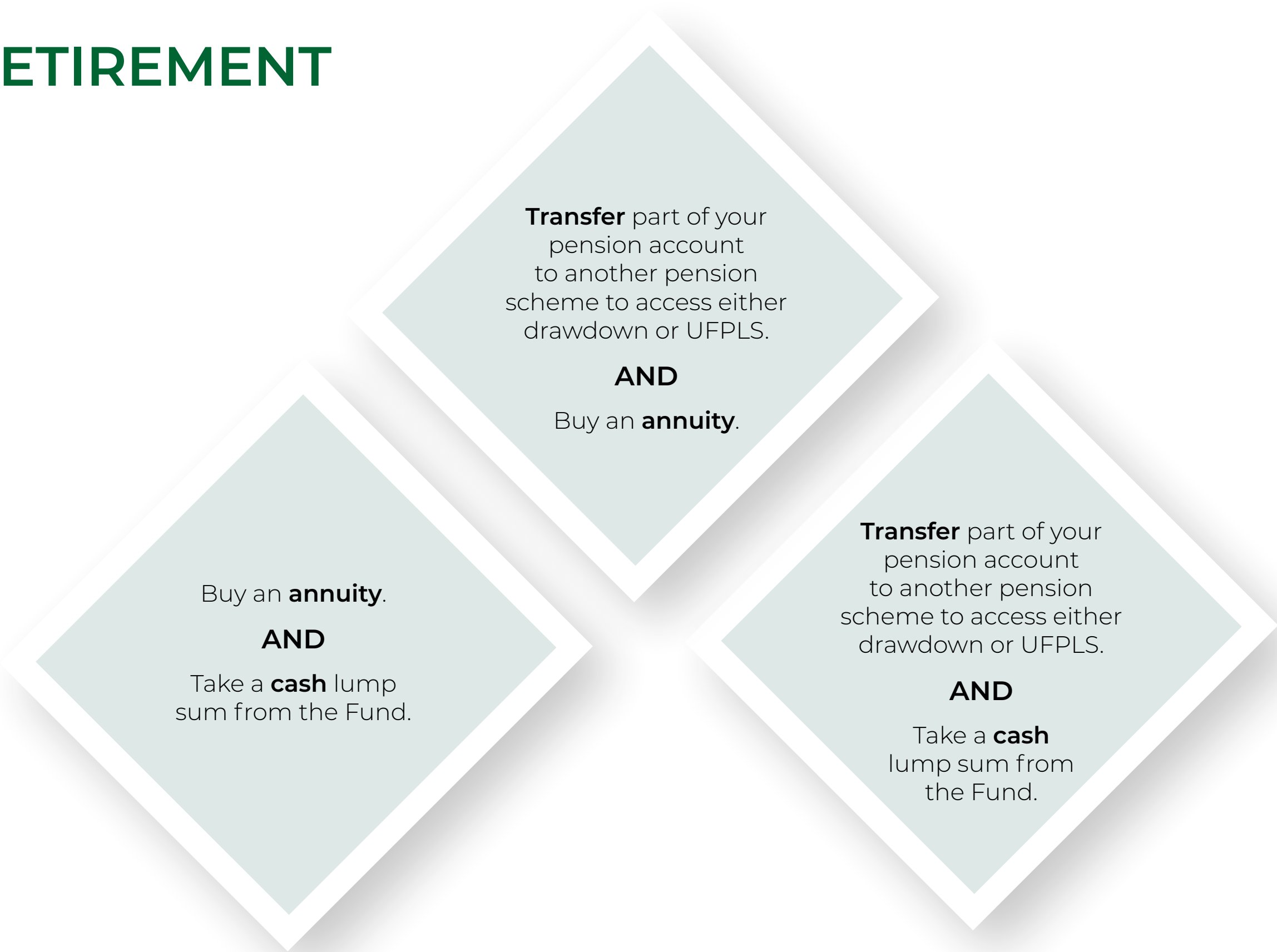
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Dual retirement options



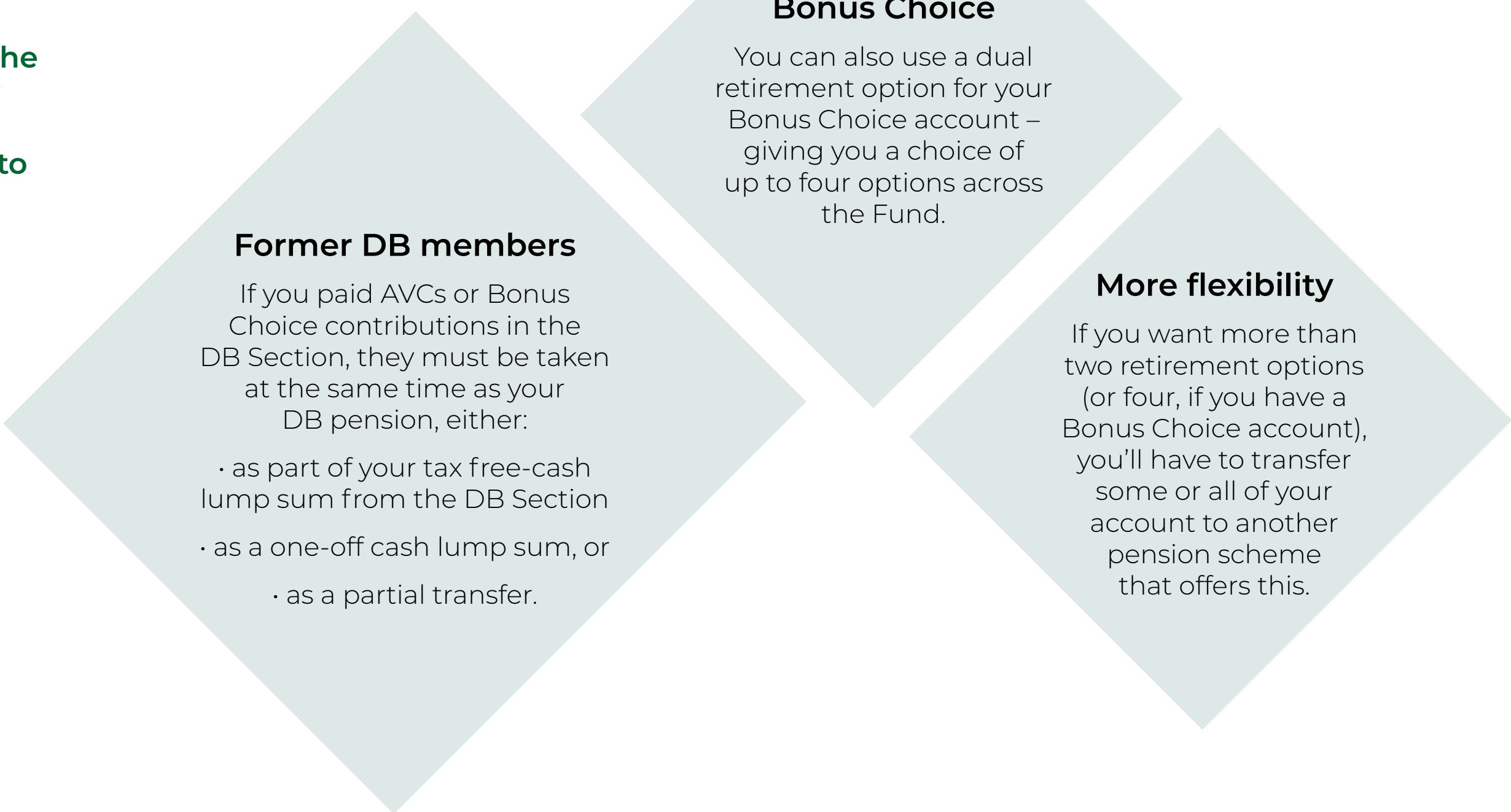
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Use the buttons below to scroll through your options.



More details



Former DB members

If you paid AVCs or Bonus Choice contributions in the DB Section, they must be taken at the same time as your DB pension, either:

- as part of your tax free-cash lump sum from the DB Section
- as a one-off cash lump sum, or
- as a partial transfer.

Bonus Choice

You can also use a dual retirement option for your Bonus Choice account – giving you a choice of up to four options across the Fund.

More flexibility

If you want more than two retirement options (or four, if you have a Bonus Choice account), you'll have to transfer some or all of your account to another pension scheme that offers this.

DEATH IN RETIREMENT

What happens to your retirement savings if you die after retirement? That depends on the choices you make:



If you take some of the money in your pension account as a cash lump sum (UFPLS), but you die before taking a second payment, the balance will be held in the Fund under a trust, to be paid out at the Trustee's discretion. Under current laws, if you die before the age of 75, the Trustee can pay this money as a tax-free lump sum to your beneficiaries up to the permitted maximum, i.e., the available amount of your lump sum & death benefit allowance (see **page 12**). Currently, however, the government does not charge inheritance tax on DC pension pots but this is expected to change from 2027. Do keep your Expression of wish form up to date, as this tells the Trustee who you would like to receive any benefits payable from the Fund in the event of your death.



If you take all the money in your pension account as a cash lump sum, there won't be any further benefits payable from the Fund to your dependants. The money will form part of your estate and is subject to inheritance tax.



If you leave your account invested after you retire (drawdown), your dependants will be left with a number of options of what to do with the remaining money. The drawdown provider you choose will be able to tell them more at the time.



If you use your pension account to buy an annuity, you'll be able to choose one that provides an income or payment to your dependants after your death. You'll have to set this up at the time of buying your annuity, and you should also note that it would reduce the amount of income you get from your annuity.



STATE PENSION

Your Scheme benefits are paid in addition to any State Pension you have earned. The State Pension is paid to you by the government when you reach State Pension Age, provided that you have paid, or been credited with, enough National Insurance (NI) contributions.

Check your State Pension forecast to see how much you're on track to receive. If your State Pension doesn't come into payment at the same time as your other pensions, do you have enough money to cover the gap? (This could be personal savings or investments, not just your pensions.) Could you consider working part time until it does?

You must apply for your State Pension. It's not paid automatically. You can apply online **here**.

The State Pension Age is under review and may change, depending on when you were born. The State Pension age for both men and women is currently 66. The government is planning further increases, which will raise the State Pension Age from 66 to 67 between 2026 and 2028. The government has also proposed increasing the State Pension Age to 68.



Find out more about the State Pension at
www.gov.uk/browse/working/state-pension
and check your State Pension Age at
www.gov.uk/calculate-state-pension



TAX ON RETIREMENT SAVINGS

When you take money from your pension account, you pay tax on any income above your tax-free personal allowance, like you do now with your salary.

You can find out what the personal allowance is for the current tax year on this website:

www.gov.uk/income-tax-rates

On anything over your personal allowance, you're taxed at 20%, 40% or 45%, depending on the size of your income (and it's different if you live in Scotland).

Your marginal tax rate is whatever tax band you are pushed into once all income, including withdrawals from your pension, have been counted.

If you decide to take 25% as tax-free cash, this amount won't use up any of your personal allowance.

Lump sum allowances

The lump sum allowance (LSA) is the limit on the amount of tax-free lump sums which can be taken at retirement from all of your retirement savings. The limit has been set at £268,275 but may be higher if you have a former lifetime allowance (LTA) protection.

The lump sum and death benefit allowance (LSDBA) is an overall limit on all tax-free lump sums and includes any tax-free lump sums under the LSA, any benefits paid to you as a serious ill-health lump sum before age 75 or death benefits payable before age 75. The limit is £1,073,000 but may be higher if you have an LTA protection.

Any lump sums taken in excess of these allowances will be subject to tax at marginal rates.

Go to **www.gov.uk/tax-on-your-private-pension** for details.

Beware of the MPAA tax trap...

If you take your account as a taxable cash lump sum, or if you receive taxable income from a drawdown account, then you will have accessed your benefits 'flexibly' and will be subject to a restriction on tax relief for future contributions called the money purchase annual allowance (MPAA). The MPAA restricts the total tax-free contributions that can be made to the Fund or any other defined contribution (DC) pension scheme to no more than £10,000 for all future years. You should bear this restriction in mind if you're thinking of taking some or all of your existing funds while continuing to pay into the Fund or another DC pension.

Note that under drawdown, the MPAA only applies once you start to draw an income from your pot. In other words, under current tax rules, if you wanted to access your tax-free cash in one go only (under option 1) and leave the remainder of your drawdown account to draw an income from later, you can do so without triggering the MPAA.

FURTHER READING & GETTING ADVICE

Take a look at our factsheet **Ten steps to retirement**, for an overview of what information you'll receive from Fidelity as you approach retirement. Before you make a decision, you'll be required to speak to one of Fidelity's retirement specialists.

Fidelity has a lot of useful information on their website, including **calculators** that let you see how long your money might last if you use drawdown and also how much tax you might pay on cash withdrawals.

Deciding how to use your retirement savings is a big decision – possibly one of the biggest you will ever make. Your decision is permanent and cannot be undone. The Trustee highly recommends that members take independent financial advice when making this important decision.

You can search for an independent financial adviser local to you on **www.unbiased.co.uk** or through MoneyHelper's **retirement adviser directory**. A financial adviser will charge you for their time, so always make sure you understand how their fees work.

From the age of 50, you can also have a free guidance session with an expert at **Pension Wise** to discuss your retirement plans. This can be in person, by telephone or online. The Pension Wise service is part of MoneyHelper and provides free, impartial guidance on money, debt and pensions.

Paying for advice

The government has introduced an 'advice allowance' to help people access financial advice in a cost-effective way.

You can access up to £500 (tax free) from your pension account up to three times over your lifetime, in order to cover the cost of financial advice. The advice must be provided by a financial adviser who is regulated and authorised by the Financial Conduct Authority, and the payment will be made direct from the pension scheme to the adviser.

The advice allowance is designed to allow you to get advice at different stages in your life. It can be accessed at any age, but only once per tax year.

Contact Fidelity to ask for details.

Contact Fidelity

If you want to find out more about your retirement options or anything mentioned in this guide, please contact Fidelity International:

 **Phone:**
0800 3 68 68 68
(8am to 6pm Monday to Friday)

 **Online:**
www.fidelitypensions.co.uk
or you can view your pension account at
www.planviewer.co.uk

 **Email:**
pensions.service@fil.com

 **Post:**
Fidelity Pensions Service Centre
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP

Neither Fidelity nor the Trustee of the Fund are able to offer financial or tax advice. If you are in any doubt, we recommend you seek independent financial advice. Please note that these details were correct as at September 2025 but are subject to change. The Fund is run in line with the Trust Deed and Rules. If there is any difference between the Trust Deed and Rules and this guide, the Trust Deed and Rules shall prevail.

J-075011 September 2025



Principal Employer of the Roche Pension Fund