Roche Pension Fund

DB Section member booklet

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INTRODUCTION

This guide summarises the main benefits and options available to deferred members of the Roche Pension Fund (DB Section). A deferred member is someone who has benefits in the Fund but hasn't yet started to take them.

If you were an active member when the Fund closed to future accrual on 30 June 2023 (the closure date), your deferred benefits were calculated as part of that process. You will have received a statement of deferred benefits at the time, confirming how much pension you had built up in the **DB Section** as at the closure date.

If you were already a deferred member on the closure date, your benefits would have been calculated as at your date of leaving.

This member booklet doesn't provide details about the calculations that were used to work out your deferred pension benefits. You should refer to any previously issued statement of deferred benefits, or contact the DB Section administrator, WTW, to understand how your deferred benefits have been calculated.

You may also have built up benefits in the Fund's Defined Contribution (DC) Section, which has its own **member booklet** and **retirement guide**.

CONTACT US

If you have any questions about membership of the Fund or the benefits provided, please contact WTW, the DB Section administrator:

Email:
rochepensions@wtwco.com

Call:
01707 607 608

Write to:
WTW
Roche Pension Fund
Sunderland
SR43 4JU

Words in **bold** link through to the **Glossary of terms**, where they are explained in more detail.

KEY BENEFITS – IN BRIEF

This page summarises the key benefits that are payable to deferred members, with further details provided in the pages that follow.

Before retirement

- Your deferred pension will be increased each year between the date you became a deferred member and the date your pension starts to be paid.
- On your death before retirement, a dependant's pension and children's pensions may be payable.
- If you're still working for Roche when you die, your loved ones may also receive a death-in-service lump sum worth 6 x your basic contribution salary*.
- You have the option to transfer your pension to a new employer's or personal pension plan, although you'll likely need to take independent financial advice before a transfer can proceed.

At retirement

- When you retire, you're usually able to convert up to 25% of the value of your pension into a tax-free cash lump sum (capped at £268,275 for most members). If you choose this option, you'll receive a smaller pension from the Fund.
- The Fund's normal retirement age is 65, but you can usually retire earlier (from age 50) or later (up to age 75).
- A bridging pension option may be available to you if you take your pension from the Fund more than two years before your expected **State pension age (SPA)**. This enables you to receive a higher pension from the Fund at retirement, which is payable until you reach your expected SPA, in exchange for a lower pension from the Fund after your expected SPA. Find out more on **page 6**.
- If you're still working for Roche, you may have the option to draw your pension early and continue working. You won't need the **Company's** consent to do this.

*In the run-up to retirement, you'll receive details of how to access paid-for advice from Origen Financial Services. Find out more on **page 8.***

After retirement

- Once you take your pension, it will be paid for life and, for most members, increased each year in line with inflation (subject to annual caps as set out in the Fund's Rules). Find out more on **page 22**.
- On your death, a dependant's pension and children's allowances may be payable. These payments will be based on the full pension you would have received at retirement, before any pension was exchanged for cash, and before any early-retirement reduction (if applicable). They will allow for any late-retirement enhancement applied to your pension (if applicable).

*You may have the option to flex this to up to 10 x your basic contribution salary through My Total Roche.

AT RETIREMENT: TAKING YOUR BENEFITS

This section of the guide looks at your options for taking your deferred benefits in the Fund's DB Section. If you also have benefits in the DC Section, please refer to the separate member booklet and DC retirement guide for details.

Exchange part of your pension for a cash lump sum

When you retire, under current legislation, you'll normally have the opportunity to exchange up to 25% of the value of your pension for a tax-free cash lump sum. This amount includes any additional voluntary contributions you may have paid, as well as any contributions made via **Bonus Choice**.

The actual calculation of your maximum tax-free cash is complex. WTW will provide you with an illustration of this amount when you approach retirement. There's also a limit set by the Government on the maximum tax-free cash that can be paid – for most people, this is £268,275.

The actuarial factors used to calculate your tax-free cash lump sum are reviewed from time to time by the **Trustee** and are subject to change without notice. If the factors change before you take your Fund benefits, this may result in your tax-free cash lump sum being lower or higher than the amount stated in your retirement pack.

In certain limited circumstances set by HMRC, where your pension is deemed to be of a trivial amount, you may be able to exchange your whole pension for a lump sum (with 25% being tax free).

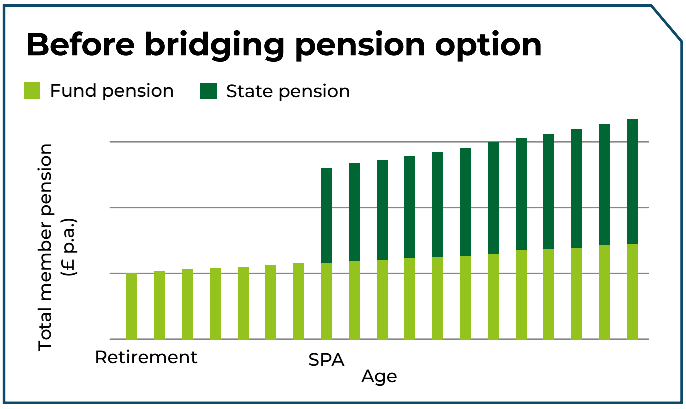
Take a higher Fund pension before State pension age (the bridging pension option)

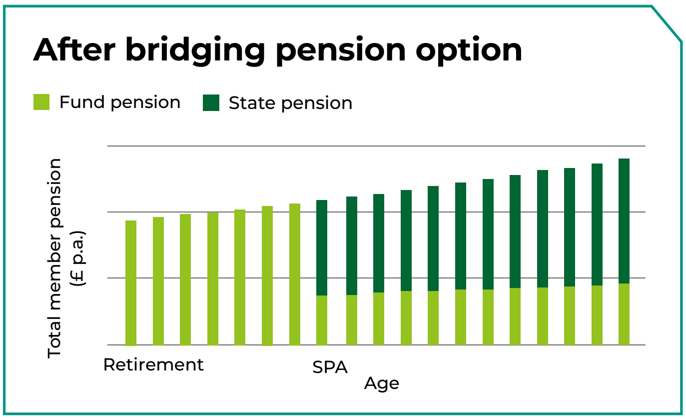
The bridging pension option was introduced in 2023. It provides additional flexibility and may be available if you take your pension from the Fund more than two years before your expected **State pension age (SPA)**.

This option enables you to receive a higher pension from the Fund at retirement, payable until you reach your expected SPA, in exchange for a lower pension from the Fund after your expected SPA.

The bridging pension aims to provide you with smoother overall retirement income.

The charts on the right summarise how the bridging pension option works – please note that this is illustrative only.





The size of the reduction in your Fund pension from your expected SPA will depend on:

- your age when you retire
- your expected SPA
- the pension increases that apply to your pension
- wider financial conditions, and
- mortality assumptions.

It's important to note that the reduction in your Fund pension from your expected SPA is for **the rest of your life**. It's therefore possible that you may 'give up' more total pension income after your SPA than the extra pension income you receive before SPA; this depends on how long you live.

When considering the bridging pension option, be aware that it increases the value of your pension for **annual allowance** purposes. Your higher income might also affect any entitlement you may have to State benefits, and you should consider how you'll manage financially on a lower Fund pension if you need to pay for care as you get older.

If you're eligible for this option, you'll receive full details in the run-up to your retirement.

Please note:

- This option is not available if you retire within two years of your expected SPA.
- The SPA used for the purpose of determining benefits under the bridging pension option is your expected SPA at retirement. Your Fund benefits are not affected by any changes to SPA made by the Government after you retire.
- You can obtain a detailed State pension forecast at: **www.gov.uk/check-state-pension**

Transfer your benefits out of the Fund

You may also choose to transfer your benefits out of the Fund to another pension arrangement (usually a defined contribution scheme), giving you access to flexible retirement options, including:

- buying a regular, guaranteed income for life (an **annuity**)
- withdrawing income as and when you need it (**drawdown**)
- taking a single cash lump sum.

You may be able to mix and match these options to suit your circumstances. For example, you could take some cash up front (lump sum option), buy an **annuity** to cover essential expenses, then draw down the rest of your pension savings – it's entirely your choice.

We strongly recommend that you get guidance and/or advice if you're thinking about transferring your pension. In fact, if your transfer value is greater than £30,000, you can only transfer your benefits if you provide confirmation to the **DB Section** administrator that you've taken financial advice from an FCA-regulated adviser.

An adviser will also be able to explain the impact of a transfer on your protected pension age (PPA) in the Fund. Currently, as a deferred member in the **DB Section**, you may take benefits from your PPA of 50 (whereas in most pension schemes, the earliest age at which you can retire is currently 55, rising to 57 from 6 April 2028). However, you would lose the right to take your benefits at age 50 if you transfer out. Once you transfer out, you cannot re-join the DB Section of the Fund.

Find out more about transfers on **page 18.**

Paid-for advice

Provided you're eligible to retire from the Fund, the **Company** will pay for you to receive one session of financial advice from Origen Financial Services. Details of how to access this paid-for advice will be included in your retirement pack. You may take advice from your own financial adviser if you prefer, but this will not be funded by the Company.

Retirement packs

You can request a retirement pack from the DB Section administrator from around six months before your 50th birthday, but please note it only provides estimated figures and does not constitute a promise or entitlement to benefits. Some of the calculations, including actuarial factors and rates of revaluation applied to your deferred pension, may change.

AT RETIREMENT: GMP EQUALISATION/CONVERSION

For most members, the Fund was contracted out of the State Earnings-Related Pension Scheme and so was required to provide a minimum level of benefit in respect of service built up between 6 April 1978 and 5 April 1997, known as Guaranteed Minimum Pension (GMP).

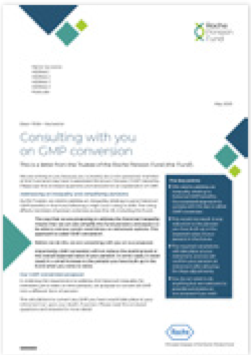
If you joined the Fund after 5 April 1997, this section won't apply to you (unless you transferred benefits into the Fund that you had built up before 6 April 1997 which included a GMP).

Not all members with service between 6 April 1978 and 5 April 1997 will have GMP in the Fund. However, for anyone with GMP who retires from the **DB Section**, your GMP will be converted at retirement into a different form of pension, in a process known as 'GMP conversion'. This enables the Fund to address historic sex-based inequalities that apply to GMP built up between 17 May 1990 and 5 April 1997 (called 'GMP equalisation') and was agreed following a consultation with members in 2023.

GMP conversion also helps simplify how your pension works and can potentially provide greater flexibility in how you can take your Fund benefits.

No reduction in benefits

There will be no reduction to the expected overall value of your Fund benefits, including any benefits paid to your **dependants** on your death. Your starting pension at retirement will be no lower than if your benefits had not been converted.


Consulting with you on GMP conversion

Further details on the GMP equalisation and conversion process were provided in the 2023 consultation documentation.

You'll receive confirmation of your equalised and converted Fund pension when you receive your retirement pack from WTW.

A two-step process

When you retire (or upon your death, if sooner), we'll carry out a two-step process:

Step 1

Equalising past inequality in relation to the GMP you built up in (or transferred into) the Fund

If you have GMP built up between 17 May 1990 and 5 April 1997, we'll work out what your deferred pension would have been for this period if you had been the opposite sex. If this shows that you would have been better off, we'll adjust your pension to address this.

Step 2

Equalising the future and conversion

We'll then convert GMP benefits you had in the Fund into non-GMP pension. GMP conversion applies to all your GMP, not just the part earned between 17 May 1990 and 5 April 1997. This process will allow for any adjustment to your pension calculated under step 1.

If you have GMP for the period between 17 May 1990 and 5 April 1997, we'll also check if you would be expected to receive a greater pension in future if you were the opposite sex. If so, this will be allowed for in the conversion. This means there won't be any future sex-based inequality in your pension benefits due to GMP once you retire.

Tax implications of GMP equalisation and conversion

If you receive a higher starting Fund pension as a result of GMP equalisation, this will be taxed in the usual way – so you might pay more income tax. The GMP conversion process has been designed to minimise any negative tax implications as far as possible. Further details were set out in the 2023 consultation documentation.

CHOOSING WHEN YOU RETIRE

You have a number of options for when and how you choose to retire, including early, late and flexible retirement.

Normal retirement age in the Fund is age 65 for most members* – this is the age at which you can draw your pension without any reduction. However, there are opportunities to retire earlier or later.

You may have benefits in the Fund's **DC Section**. Please refer to the DC Section member booklet for details of how and when you can take those benefits.

You may also have benefits in another employer's pension scheme. Those arrangements may have different rules around when you can retire, so as part of your planning, it's a good idea to find out what they are.

* For example, if you are female and left service before 1 December 1990, your normal retirement age is age 60.

Early retirement

For many pension schemes, the earliest age at which you can retire is increasing from 55 to 57 from 6 April 2028 – this is called the normal minimum pension age (NMPA), and it's set by the Government. If you take your benefits before the NMPA, you'll have to pay a tax charge for an unauthorised withdrawal, which can be as much as 55% of what you take out.

However, as a deferred member of the Roche Pension Fund, you have a protected pension age (PPA) of 50. This means the increase in the NMPA won't apply to your Fund benefits, so you can take your Fund benefits at age 50 – but one of the restrictions associated with a PPA of 50 is that you generally have to take all your benefits in the Fund (DB, DC and any **AVCs** and/or **Bonus Choice** benefits) at the same time. This is a complex area, and you may wish to obtain impartial financial advice if you're considering early retirement.

If you take your pension early, it will usually be reduced to take account of the longer period over which it will be paid (this is known as the 'early-retirement reduction'). The amount of the reduction will be determined by the **Trustee** on the advice of the Fund actuary and will depend on your age at retirement.

For most members, pensions built up:

- **before 1 February 2005** will be reduced with reference to age 60.
- **from 1 February 2005 to 31 March 2010** will be reduced with reference to 62.
- **from 1 April 2010 onwards** will be reduced with reference to age 65.

However, the benefits vary depending on the section of the Fund you're in.

You can ask WTW for details of how this will work for you, and they'll be able to provide you with an illustration showing the extent of any reduction to your pension.

Impact of early retirement on dependants' benefits

The benefits payable to your **dependants** after your death are based on the pension you would have received before any part of your pension was exchanged for tax-free cash and, for most members, before any early-retirement reduction was applied.

Late retirement

You may defer taking your pension until after your 65th birthday, in which case it will receive a late-retirement increase. The amount of increase will be determined by the **Trustee** on the advice of the Fund actuary and will depend on your age at retirement. WTW will be able to provide you with an illustration showing how your pension would increase.

Please note: if your pension is not put into payment by your 75th birthday, you will lose the option to exchange some of it for tax-free cash.

Flexible retirement

You may be able to draw your **DB Section** pension early and continue to work for Roche, but, as explained on **page 11**, taking any part of your Fund benefits earlier than the normal minimum pension age may affect your protected pension age (PPA) in the Fund and restrict your options. It's also worth noting that if you're building up benefits in the **DC Section**, you may face restrictions in terms of how much you can pay in and still receive tax relief. You may wish to consult an independent financial adviser, who can explain the impact of early/flexible retirement on your PPA and future options, before making any decisions affecting your retirement.

AVCs & BONUS CHOICE

If, while you were an active member, you paid additional voluntary contributions (AVCs) or sacrificed some of your annual bonus payments into the Fund (Bonus Choice), you will have built up a separate pension account in the Fund.

When you retire, you can use the money in your **AVC** or **Bonus Choice** account to provide extra benefits for you and your **dependants**. You may be able to use it to fund your tax-free cash, meaning you'll need to give up less of your regular DB pension in exchange for this lump sum.

As a deferred member of the Fund, you have a protected pension age (PPA), which means you can take your Fund benefits from age 50. If you wish to take your benefits early, you would generally need to take everything at the same time (including your AVCs and/or Bonus Choice benefits), or you will lose your PPA. This is a complex area, and you may wish to obtain impartial financial advice if you're considering this.

If you don't access your AVC/Bonus Choice account at retirement, you have the option to either:

- leave the money invested in the Fund for any period up to age 75. You will still have the option to take 25% of its value as a tax-free cash lump sum and use the remainder to provide an income; or
- transfer the money to another pension scheme.

The value of the benefits provided by your AVC and/or Bonus Choice account will depend on several factors, including:

- how much was paid in; and
- the performance of the investments.

If you die before using your AVC and/or Bonus Choice account, the accumulated fund value will normally be payable to your beneficiaries as a lump sum.

For more information, the AVC factsheet on the member website provides additional details.

TAKING YOUR BENEFITS: THE PROCESS

Here's a summary of the retirement process:

Step 1

When you're approximately six months from your **normal retirement age** (NRA), WTW will send you a retirement pack, covering the different options available to you and including any forms you need to complete to put your pension into payment.

Your retirement pack will include details of how to access one session of paid-for financial advice from Origen Financial Services.

Step 2

You will need to decide whether you wish to take your pension at NRA or defer payment until a later date.

Step 3

If you're ready to take your pension, you will need to choose the benefits you wish to take (for example, how much pension you want to take, and whether you want to make use of the bridging pension option)

Step 4

You will need to return your completed forms to WTW, along with any requested documents that confirm your identity (if required).

Step 5

WTW will calculate your final retirement figures and check the paperwork received.

Step 6

WTW will arrange for your benefits to be paid and will write to you to confirm the benefits you will receive.

Step 7

Your membership status in the Fund will be updated from deferred member to pensioner.

IMPORTANT NOTE

The retirement pack initially provided to you will contain estimated figures and does not constitute a promise or entitlement to benefits. Certain aspects of the calculation basis may change, including the actuarial factors used by the **Trustee** and rates of revaluation applied to your deferred pension. The benefits you ultimately receive will be as calculated at the time they are paid, in line with the Fund Rules, applicable legislation and any discretions the Trustee may hold in relation to your benefits.

BENEFITS FOR YOUR DEPENDANTS

The Fund provides valuable benefits to your loved ones, which may include a tax-free lump sum payment, a pension for your spouse or civil partner and allowances for any dependent children.

If you die while working for Roche

If you have a deferred pension in the **DB Section**, but you're still working for Roche and paying contributions into the **DC Section**, a cash sum of 6 x your basic contribution salary at the date of your death may be paid (together with any additional amount you may have 'flexed' under My Total Roche).

If you still work for Roche but you opted out of the DC Section, a reduced amount of 4 x your basic contribution salary may be paid.

Under current legislation, this money will be paid tax free, subject to the **lump sum & death benefit allowance** (LSBDA) limit, which is currently £1,073,100 (unless you have a protected higher value).

As a deferred **DB Section** member, a dependant's pension may also be payable to your spouse or civil partner*, equal to the greater of:

- 30% of your basic contribution salary; or
- in most cases**, two-thirds of the pension that would have been paid to you had you retired on the date of your death, based on service to 30 June 2023.

A children's allowance of 1/8th of the dependant's pension may be payable for each child, up to a total of four children***.

If you die between leaving Roche and before you retire

A dependant's pension may be payable to your spouse or civil partner*, equal in most cases** to:

- two-thirds of the pension that would have been paid to you at **normal retirement age** (NRA), including statutory increases until your death.

If you have deferred taking your pension beyond your NRA, your dependant's pension will be based on the pension that would have been paid to you had you retired on the date of your death.

A children's allowance of 1/8th of the dependant's pension may be payable for each child, up to a total of four children***.

If you die during retirement

A dependant's pension may be payable to your spouse or civil partner*, equal in most cases** to:

- two-thirds of your pension (ignoring any reduction made for taking cash at retirement or retiring early and including any enhancement for retiring late).

A children's allowance of 1/8th of the dependant's pension may be payable for each child, up to a total of four children***.

* The **Trustee** has discretion to pay this benefit to another financial dependant if, for example, the deceased member was separated from their spouse/partner at the time of death and living with someone else. Please complete a **Nomination form**, letting the Trustee know that you have another adult financial dependant that you would like to receive a pension from the Fund on your death. Any financial dependant will be considered by the Trustee, whether or not you have completed this form, but having this information makes the process quicker.

** All benefits from the Fund depend on the section of the Fund you are in and are individually calculated. They may differ from what is shown.

*** If you do not have a surviving spouse or civil partner and no dependant's pension is payable, the children's allowance may be trebled. If you leave four or more children, the maximum amount of the children's allowance will be split equally between them all (this equates to one half of the dependant's pension). The allowance is payable until the child reaches age 18. It may be extended up to age 23 at the Trustee's discretion if the child is in full-time education or vocational training, or for longer if the child is dependent on you as a result of disability.

DEATH BENEFITS: MORE DETAILS

Cash sums

The **Trustee** has discretion to decide who will receive any benefits payable from the Fund in the event of your death.

One of the reasons for this is that, under current tax law, cash sums paid on this basis can be paid free of inheritance tax*.

The Trustee has a duty to consider all potential beneficiaries in the event of your death, and it helps greatly if you have completed an **Expression of Wish form**. The form lets you name the people you'd like to receive the cash sum, and in what proportion. The Trustee will always take your wishes into consideration.

If you have a Fidelity PlanViewer account related to a Roche pension (DC, **AVC** and/or **Bonus Choice**), you should capture your beneficiary details on PlanViewer. Otherwise, you can download an **Expression of Wish form** from the Roche member website and return it to the **DB Section** administrator, WTW.

Please note: it's important to review your wishes regularly and whenever your circumstances change. An updated form will override any previously submitted version(s).

Dependant's pension

The **dependant's** pension will be payable for the rest of your dependant's life (except for children's pensions, which are payable for as long as the child qualifies for a child's pension).

If your dependant (other than a child) is more than ten years younger than you, their pension will be reduced by an amount determined by the Trustee.

The way in which a dependant's pension is increased is described on **page 22**.

Refund of contributions

If no pension benefits are payable on death in the **Company's** employment, a cash sum equal to your contributions to the Fund (if any), plus simple interest at 3.5%, will be paid to your estate (so it will be subject to inheritance tax). If you participated in **salary sacrifice**, the cash sum will be calculated as if you had contributed to the Fund outside of salary sacrifice.

*Under current legislation, lump sum death benefits are subject to the **lump sum & death benefit allowance** (LSBDA) limit, which is currently £1,073,100 (unless you have a protected higher value).

TRANSFERRING YOUR BENEFITS

You have a statutory (legal) right to transfer your deferred pension, in whole or in part, to another registered pension scheme at any time up to age 64 (which is one year before your normal retirement age in the Fund).

You can request a non-statutory transfer if you are within one year of your **normal retirement age** or older. This means the **Trustee** is not obliged to provide a quote but will consider requests on an individual basis. It's not possible to transfer your pension once it has been put into payment.

The amount of the transfer value is decided by the Trustee, after taking advice from the Fund actuary, and is based on the amount of your deferred benefits. It's calculated in line with certain statutory principles. The actuary also makes a number of economic assumptions, some of which are updated monthly.

Transfer value quotes vary, depending on when they are calculated. For example, when interest rates rise, the Fund is assumed to benefit from higher expected investment returns. This reduces the amount of money the Trustee needs to hold today to provide future pensions – so transfer values will generally fall. Transfer values can therefore fluctuate in line with market conditions and the actuarial assumptions.

Any transfer value quotation will be guaranteed for a period of three months from the calculation date. Your quotation will include all the forms that you and the receiving scheme need to complete before the transfer can proceed. If WTW does not receive all the necessary documents within three months of the calculation date, the transfer value will usually need to be recalculated, based on the latest market conditions, which may result in a higher or lower value.

You may request one quotation free of charge in any 12-month rolling period. Further requests within the same 12-month period are subject to an administration charge of £250.

Taking advice

Before transferring, you will normally be required to take independent financial advice. If the value of your benefits exceeds £30,000, you are legally required to take advice if transferring to a defined contribution pension scheme. Make sure you allow enough time in the process to speak to a qualified financial adviser, before a transfer payment can be made. WTW will need to see proof that your adviser is authorised by the Financial Conduct Authority (FCA) and that you're transferring your benefits to a registered pension arrangement.

Before transferring benefits out of the Fund, the **Trustee** recommends you take independent financial advice and read the **Pension scams** section of this guide.

The FCA provides guidance on the pros and cons of transferring a DB pension and the risks involved, which include the risk of running out of money in retirement: **www.fca.org.uk/consumers/pension-transfer-defined-benefit**

PENSION SCAMS: A WARNING

Your pension is very attractive to criminals. Pension scams are constantly evolving and can have a devastating impact on their victims.

Fraudsters have become increasingly sophisticated, often producing professional-looking brochures and websites and promoting attractive but bogus offers. They often target pension members to try to persuade them to transfer to scam schemes, or prey on those who have recently retired and may have large pension tax-free cash sums to invest.

Here are some tips to help you avoid becoming a victim of a pension scam:

- Be suspicious of all unexpected telephone calls, texts or emails from unknown numbers or email addresses. It's illegal to cold-call people to talk about their pension, so simply hang up.
- Be wary when you hear phrases like, 'pension liberation', 'loan', 'loophole', 'savings advance', 'one-off investment' and 'cashback'. These are commonly used by scammers.
- Do not respond to anyone who puts you under time pressure – for example, using couriers who wait outside for signed documents. A reputable firm will never do this.
- If it sounds too good to be true, it's probably a scam – especially claims about being able to release cash from a pension before the age of 50 or 55, with no mention of the tax implications.

To find out more about how to stay safe from scams, visit:

- **www.fca.org.uk/scamsmart**
- **www.thepensionsregulator.gov.uk**

Get regulated advice and protect your money

If you need advice about what might be best for your circumstances, please consider speaking to an independent financial adviser – but make sure the adviser is authorised by the Financial Conduct Authority. You can check the FCA register at **https://register.fca.org.uk**

If you don't use an FCA-authorised firm, you won't have access to the Financial Services Compensation Scheme or the Financial Ombudsman Service so you're unlikely to get your money back if things go wrong.

If you're eligible to retire, you can have a free session of financial advice with Origen Financial Services. This has been set up by the **Company**. Origen's fees don't depend on any retirement decisions you make. If you'd like to arrange a meeting with Origen, you must first request a retirement pack from WTW, the **DB Section** administrator.

If you don't want to use Origen, you can find an adviser at:

- **www.unbiased.co.uk**
- **www.vouchedfor.co.uk**

LIFE IN RETIREMENT

Your pension will normally be paid monthly, part in advance and part in arrears, on the 15th of each month (or previous working day if the 15th falls on a weekend).

If you retire part way through the month, the first payment will be a proportionate amount to cover the period from your retirement date to the end of that month. Similarly, if you die in retirement part way through a month, a proportionate payment will be made to the date of your death.

Your pension is subject to income tax, which is deducted under PAYE. WTW will send you a monthly payslip if your pension amount changes by £10 or more from one month to the next. You'll also receive an annual P60, which shows how much tax you've paid in the previous tax year.

Pension increases

Pension increases are applied each year (normally from 1 April). WTW will send out an annual pension increase letter in April, setting out the increase that will be applied to your pension for the year ahead.

The percentage increase will depend on when the benefits were built up:

- for pensionable service before 1 April 2010, increases will be in line with price inflation up to 5% a year (depending on your benefits at retirement, some of your converted GMP may not receive annual pension increases).
- for pensionable service after 1 April 2010, increases will be in line with price inflation up to 2.5% a year.

The measure of price inflation currently used by the Fund to calculate pension increases is the Consumer Prices Index (CPI), specifically the CPI figure in December.

If you have any queries about your pension payments, please contact WTW.

GENERAL INFORMATION

Eligibility

The **DB Section** closed to new members from 31 March 2003 and then to the future build-up of pension benefits for existing members from 30 June 2023 (the closure date).

Management of the Fund

The Fund has been established under a Trust so that its assets and liabilities are entirely separate from the **Company**. Roche Products Pension Trust Limited (the **Trustee**) has been set up specifically to run the Fund. The Trustee appoints several professional advisers to assist in the smooth running of the Fund. The Trustee must produce an annual report about the Fund, including details of the Fund's accounts. The names of the current directors of the Trustee and the Trustee's advisers appear on the Roche member website.

Tax status

The Fund is a registered pension scheme under the Finance Act 2004.

Data protection

The Trustee processes data about you for the purpose of administering and operating the Fund and paying benefits under the Fund. This may include passing on data about you to your employer, the Fund's pension administration team, auditor, administrator, investment providers, insurers and such other third parties as may be necessary for the administration, operation and investment of the Fund. The Trustee is regarded as a Data Controller under data protection laws in relation to the data processing referred to above.

The Trustee's privacy notice explains in detail how it processes personal data and your rights in connection with that data. It is available on the member website or on request from WTW, the DB Section administrator (details on **page 29**).

Amendment to the Fund

Under the terms of the Trust Deed and Rules, the **Company** and the **Trustee** may vary the terms of the Fund subject to certain restrictions.

If the Fund is discontinued by the Company, the Trustee will use the assets of the Fund to provide members' benefit entitlements in accordance with legislation and the Trust Deed and Rules. Should there be insufficient assets in the Fund to meet all pension liabilities on wind-up, current legislation would require the Company, providing it is solvent, to make extra contributions so that all pension could be bought out in full with an insurance company. If on wind-up, the Company is insolvent and unable to make up any deficit to buy out all pensions in full, additional protection may be available to members from the Pension Protection Fund.

Assignment of benefits

Your benefits from the Fund are strictly personal and cannot be assigned to anyone else or, for example, used as security for a loan. If you divorce and a Court makes a pension sharing order, the Trustee will use part of your benefit to provide benefits for your former spouse.

Disputes

If you have a query about the Fund, WTW will normally be able to resolve it. However, in the unlikely event of you being dissatisfied with the response you receive, there's a formal procedure in place for resolving disputes. You may request a copy of the full formal internal dispute procedure from the Fund Secretary at **rochepensions@qallp.co.uk**

If you're dissatisfied with the outcome of the internal dispute procedure, the external organisations on the **next page** are available to investigate complaints.

Fund documentation

As a member of the **DB Section**, you can ask to see the following items (and in certain cases, you can request your own copy):

- Trust Deed and Rules relating to the DB Section (and any amendments)
- Latest Actuarial Valuation
- Latest Actuarial Report
- A formal Trustee Annual Report and Accounts (which includes the audited accounts of the DB Section of the Fund, a statement from the Fund actuary and a report from the Fund's investment managers)
- The Trustee's Statement of Investment Principles and Implementation Statement
- Schedule of Contributions
- Statement of Funding Principles
- Recovery Plan (if the Fund has a deficit at the last formal actuarial valuation)
- Task Force on Climate Related Disclosures (TFCD) report

STATE PENSION

There are two types of State pension:

- the basic State pension, which is available to men born before 6 April 1951 or women born before 6 April 1953; and
- the new State pension, which is available to men born on or after 6 April 1951 or women born on or after 6 April 1953.

Before April 2016, you could also build up an extra level of State pension, known as SERPS or S2P, which was based on your earnings and paid alongside your basic State pension. However, many pension schemes, including some sections of the Roche Pension Fund, were contracted out of this additional State pension between 6 April 1978 and 5 April 2016. This meant most active Fund members didn't build up entitlement to SERPS, but in return they paid lower National Insurance contributions. Although most members didn't build up additional State benefits during that time, Roche provided a minimum level of pension benefits through the Fund. This means the value of State pension benefits for contracted-out members will reduce to account for this contracted-out time.

If you were a member of the Fund before 6 April 1997, for your service that built up between 6 April 1978 and 5 April 1997, your pension from the Fund may include a Guaranteed Minimum Pension (GMP), which was broadly equivalent to the benefits you had given up in SERPS. As explained on **page 9**, in 2023, after a consultation with members, it was agreed that members' GMP would be converted into non-GMP pension at retirement.

You can claim your State pension when you reach your **State pension age**, and the amount you will receive will depend on how long you have paid or been credited with National Insurance contributions.

To find out what your State pension could be worth and when you can claim it, visit **www.gov.uk/check-state-pension**.

HELPFUL CONTACTS

MoneyHelper

MoneyHelper brings together the support and services of three Government-backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise.

They can give help and advice to anyone with queries about their pension or who may be experiencing difficulties over their pension rights. You can contact MoneyHelper at any time, whether or not you have exhausted the internal dispute procedure, by:

- Phoning: 0800 011 3797
- Visiting: **www.moneyhelper.org.uk**
- Using their webchat service: **www.moneyhelper.org.uk/PensionsChat**
- Writing to: Money and Pensions Service, 120 Holborn, London EC1N 2TD

The Pensions Ombudsman

If MoneyHelper cannot solve your pension problem, the Pensions Ombudsman is available to settle complaints and disputes of fact or law connected with pension schemes, particularly if you have a complaint about the way your pension scheme is run. If you have exhausted the internal dispute procedure, you can contact the Ombudsman by:

- Phoning: 0800 917 4487
- Visiting: **www.pensions-ombudsman.org.uk**
- Emailing: **enquiries@pensions-ombudsman.org.uk**
- Writing to: Pensions Ombudsman Service, 10 South Colonnade, Canary Wharf, London E14 4PU

The Pension Tracing Service

All approved pension schemes have to register with the Department for Work and Pensions (DWP) Pension Tracing Service. If you've lost track of your deferred benefits with a previous employer, the Pension Tracing Service can provide you with an up-to-date contact details for that scheme. You can contact the Pension Tracing Service by:

- Phoning: 0800 731 0175
- Visiting: **www.gov.uk/find-pension-contact-details**

Future Pension Centre

If you want an estimate of your State pension, you can request a forecast from the Department for Work and Pensions (DWP). It will show you, in today's money, the State pension you have already earned and what you can expect to have earned by **State pension age**. To get a forecast, you can contact The Pension Service by:

- Phoning: 0800 731 0175
- Visiting: **www.gov.uk/future-pension-centre**
- Writing to: Freepost DWP Pensions Service 3. Don't write anything except the freepost address on the envelope. You don't need a postcode or a stamp.

GLOSSARY OF TERMS

Annual allowance is the maximum amount of retirement savings that you can build up in any single tax year before paying a tax charge on the excess over the annual allowance.

Annuity is an annual pension you could buy with the value of your benefits if you transferred them out of the Fund to a defined contribution pension scheme. You would usually buy an annuity from an insurance company and receive it in a series of regular monthly instalments throughout your retirement.

AVCs are additional voluntary contributions that you may have paid as an active member of the DB Section. At retirement, the accumulated value of your AVC account is available to secure retirement benefits for you and your dependants. The AVC factsheet provides more information about your investment options.

Bonus Choice allowed you to exchange part, or all, of any bonus you earned for a lump sum Company pension contribution, within tax limits. You could choose to invest your Bonus Choice contributions differently from your AVC account.

Company includes Roche Products Limited, Roche Diagnostics Limited and all other companies participating in the Fund.

DB Section is the Defined Benefit Section of the Fund.

DC Section is the Defined Contribution Section of the Fund.

Dependants can include your surviving widow, widower, civil partner, same-sex spouse, child, step-child, adopted child (other than any such child who is over the age of 18 years and is not either in full-time educational or vocational training) and any individual who is or was, or in the opinion of the Trustee is or was, wholly or in part financially dependent on you or whose maintenance and support you had undertaken before your death.
The reference to partial financial interdependency includes financial interdependence so that, for the purposes of this definition, an individual may be regarded as financially dependent on you if he/she relies upon your income to maintain a standard of living that had depended on joint income before your death.

Drawdown is when you draw an income from your retirement savings over time, as and when you like, with the remainder of your savings staying invested in the funds of your choice.

Fund is the Roche Pension Fund.

Lump sum allowance (LSA) was introduced from 6 April 2024. The LSA is the maximum amount which a member can receive as a tax-free cash lump sum in connection with taking pension benefits. The LSA will apply across all registered pension schemes, not per scheme. Any lump sums which exceed the LSA will be taxed at your marginal rate. The standard LSA is £268,275. However, your LSA may be higher if you have previously registered with HMRC for a tax protection under the 'lifetime allowance' regime that applied before 6 April 2024, or it may be lower if you had used up some of your LSA before 6 April 2024. Please note that this is just a summary. You can find more information at: **www.gov.uk/tax-on-your-private-pension/lump-sum-allowance**

Lump sum & death benefit allowance (LSDBA) was introduced from 6 April 2024. The LSDBA limits the tax-free part of certain lump sums that can be paid during your life (including cash at retirement) and after your death. The LSDBA will apply across all registered pension schemes, not per scheme. Any lump sums which exceed the LSDBA will be taxed at your marginal rate. The standard LSDBA is £1,073,100. However, your LSDBA may be higher if you have previously registered with HMRC for a tax protection under the 'lifetime allowance' regime that applied before 6 April 2024, or it may be lower if you had used up some of your LSDBA before 6 April 2024. Please note that this is just a summary. You can find more information at: **www.gov.uk/tax-on-your-private-pension/lump-sum-allowance**

Normal retirement age (NRA) is 65 for most members. There may be some members (for example, a female member who left service before 1 December 1990) for whom NRA is 60.

Pension Protection Fund is a statutory fund which was established to pay compensation to members of eligible defined benefit pension schemes where there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.

Salary sacrifice refers to the way that pension contributions can be paid, leading to a reduction in the National Insurance contributions paid by both the member and the Company.

State pension age is the date from which you can normally claim a State pension. It is currently 66 for men and women and rising gradually to 67 by 2028. It is expected to rise again to 68 by 2046, although this date may change.

Trustee is Roche Products Pension Trust Limited, a trustee company. The Trustee is run by its directors, whose appointment and removal rests formally with Roche Products Limited. However, one-third of the directors are appointed in accordance with the law relating to the nomination and selection of member nominated trustee directors.

CONTACT DETAILS

If you have any questions after reading this booklet, please contact WTW:

Email: **rochepensions@wtwco.com**

Phone: 01707 607 608

Write to: Roche Pension Fund
WTW
Sunderland
SR43 4JU

AVC/DC Section contact details

If you have **AVCs** or other benefits in the **DC Section** of the Fund, please contact Fidelity International.

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

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

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

Write to: Fidelity Pensions Service Centre, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP