

\*CONFIDENTIAL\*

## Frequently Asked Questions

### Changes to Plan

#### **What are the changes to investments from March 2017?**

There are new investment options for members to choose from, and the default fund (i.e. the fund that you are automatically enrolled in when you join the CRUK Retirement Plan unless you choose otherwise) has changed to the [Flexible Lifestyle \(Tobacco Free\)](#).

#### **What should I say to supporters if I am asked about the changes to the Plan?**

Our existing/historic default pension fund, in common with other organisations, includes a small percentage of investments that may have been invested in tobacco. There has been a tobacco-free ethical fund since 2010 that staff could choose to join if they wished, but strict rules and governance relating to charges, risk and expected return have prevented existing tobacco-free options being viable as a default fund. We have worked with our advisers to design a new tobacco-free default with charges that meet the rules, and an investment risk/return profile that we believe is acceptable. We are making this available from 1 March.

We have a gold-standard tobacco control policy and have worked tirelessly to take on the tobacco industry. We're delighted to have closed this final small loophole and would like to see other organisations follow suit by adopting tobacco-free default pension funds.

#### **What has prompted the change in approach now?**

Strict rules and governance relating to charges, risk and expected return have prevented these options being viable as a default fund in the past. We have regularly reviewed the market to see whether a tobacco-free option would be available. We have now found one that we believe is a significant improvement on what was previously available and so we're happy to say that we can now offer a fund that is in line with our mission; we don't believe that any other organisations are able to offer this kind of investment yet.

#### **What will the new fund mean for my pension fund once I retire?**

Although, of course, future investment returns are uncertain, analysis carried out in conjunction with our adviser has indicated that the new tobacco-free fund is expected to provide similar returns when compared with our current default fund. For more information about the different funds, please refer to the Legal & General website. You might also wish to take independent financial advice.

## **Are there any other investments that we should know about, other than tobacco? / What else is not ethical in the existing fund?**

The new tobacco-free option/default will invest in a range of companies in a variety of stock markets, apart from those in the tobacco sector. That means that it will invest in a wide range of companies, so we can't guarantee that it will meet any other ethical considerations, apart from being tobacco-free. If you would like more information about the companies your money is invested in you can find more information here. There are other Ethical funds available to you which screen out more companies than just those in the tobacco sector should you wish to invest in those.

## **Your investments**

### **How do I choose my investments in the Plan?**

When you first join the Plan via Workday (CRUK's HR system), you can choose your investments by filling in the [investment form for new joiners](#).

If you are already a member of the Plan, you can switch your investments ( You won't be charged an explicit fee for a switch, but you should be aware there may be some implicit trading costs involved with the process, which would be allowed for in the unit prices for the funds) by:

- Logging in or registering to [Manage Your Account](#)
- Calling the Legal & General Helpline on 0345 070 8686
- Completing the [switching form](#) and returning it to Legal & General. The switch will take effect within 5 working days of the form being received

The value of your pension fund may fall as well as rise. Choose your funds carefully and review them regularly, particularly if you are close to taking your benefits.

L&G provide a tool to help you decide what level of risk to take with your investments that you can find [here](#). You should also consider taking financial advice, and you can find a financial adviser using the following website: [www.unbiased.co.uk](http://www.unbiased.co.uk).

### **Where can I invest my pot?**

You have a lot of choice over where your pot is invested – the different profiles and funds will have different levels of risk, return and charges.

Cancer Research UK has selected a [simplified list of lifestyle profiles](#) to make it easier for members who want to choose their own investments without having to look at the full fund range. Within this list you will be able to access information on the underlying funds.

To access the full range of funds, as well as information on what to think about if you want to make your own choices, please see the [fund information](#) section.

## **Where are my funds invested if I don't choose?**

If you don't choose which fund to invest in, there is a default fund where your pot will be invested – CRUK and L&G make sure this is appropriate for an average member and meets legal requirements. The default fund for joiners from 1 March 2017 is called the [Flexible Lifestyle \(Tobacco Free\)](#).

From 1 April 2015 to 28 February 2017, the default and core investment options were different and are set out in the [Core Investment Funds \(after 1 April 2015\)](#) brochure.

Prior to 1 April 2015, the default and core investment options were different and are set out in the [Core Investment Funds](#) brochure.

## **Tobacco policy**

### **How long have you known about the investments in tobacco?**

We first offered this type of pension plan in 2003 and since then there has been some tobacco investment within the funds. However, at that time, tobacco-free funds would have been far lower quality than the ones available now and would not have been a suitable investment to place our employees into as a default fund. We have regularly reviewed the market to determine whether other investments could be provided to our employees and to determine if a suitable tobacco-free option was available. We have provided a tobacco-free ethical fund as an option since 2010 that staff could choose to join if they wished, but the levels of charges, risk and expected return meant this was not a viable default fund.

### **What proportion of the existing default fund is invested in tobacco?**

Since the default is made up of several underlying funds, and the proportions of different investments in the funds move daily, with limited information available on the detailed investments held, it is very difficult to determine on any one day what proportion is invested in tobacco.

If you are in the default fund and are not within 5 years of retirement then your funds are held in the Growth Phase, which is made up of 4 underlying funds – you can access the factsheets for each fund on L&G's microsite [here](#).

For example, 50% of the Growth Phase funds are held in the Legal & General Global Equity Fixed Weights 50:50 Index Fund 3, and as at 31 December 2016 1.93% was invested in British American Tobacco.

### **Why have we not had wider communications about this before now?**

All CRUK staff were given information about the pension fund and its investments when they joined the Plan, with the option to move to a separate ethical fund. From now on we will be providing the tobacco-free default fund to all new starters at CRUK.

### **Are other charities' pension funds invested in tobacco?**

We believe that our tobacco-free fund is the first of its kind for defined contribution default funds. We would like to see other organisations follow suit in adopting tobacco-free default pension funds.

### **Are my other pensions invested in tobacco? How can I stop my money being invested in tobacco?**

The Cancer Research UK Pension Scheme (our defined benefit or final salary scheme, which was offered to staff historically) excludes investment in tobacco companies. Since the Cancer Research UK Pension Scheme has different restrictions on its investments, we were able to disinvest from tobacco holdings in this scheme 3 years ago.

We of course cannot control the investment policy of the Universities Superannuation Scheme (which a small number of our staff are members of), or the investment policy of any other scheme (e.g. your previous employers) though we do lobby against tobacco investment. If you are a member of the Universities Superannuation Scheme, more information is available from the pensions team.

### **How long have you been looking for an alternative?**

We have periodically reviewed our investments in the Plan and when we reviewed the investments during 2014 we could not find a suitable tobacco-free investment.

### **Where can I access the anti-tobacco policy?**

You can access it here:

<https://intranet.cancerresearchuk.org/sites/default/files/Cancer%20Research%20UK%20Tobacco%20Policy%20Dec%202014%20Final.pdf>

## **Joining / changing / opting out of your contributions to the Plan in Workday**

### **How do I join the Plan?**

To join the pension plan you will need to log in to Workday and go to the 'Benefits' section. From there please select 'Benefits' under the 'Change' heading. Then select 'Join/Change Pension Scheme' and select the date you want contributions to start from. Note that contributions will always start from the first of the month so if any date is selected other than the first, contributions will start on the first of the following month.

You then need to decide how much to contribute and this will determine how much CRUK will contribute. You can find more details about the contribution rates [here](#). You can also see on Workday what you can pay in each tier and how much CRUK will then pay into your pension.

Once you have elected the level of contribution you want and entered a number in the 'Percent' column, you can click 'continue' and then check the details on the next page.

If you're comfortable with it all then tick that you agree at the bottom of the page and then click 'submit'.

Finally, you need to decide how to invest your pension pot. There is a default investment that you will go into if you don't make a choice which CRUK has selected after taking professional advice. If you want to find out more about the investments and the form you can use to change your investments, you can find details [here](#).

### **How do I change my pension contributions?**

To change your contributions you will need to log in to Workday and go to the 'Benefits' section. From there please select 'Benefits' under the 'Change' heading. Then select 'Join/Change Pension Scheme' and select the date you want the change to start from. Note that contributions will always start from the first of the month so if any date is selected other than the first, contributions will start on the first of the following month.

You then need to decide how much to contribute and this will determine how much CRUK will contribute. You can find more details about the contribution rates [here](#). You can also see on Workday what you can pay in each tier and how much CRUK will then pay into your pension.

Once you have elected the level of contribution you want and entered a number in the 'Percent' column, you can click 'continue' and then check the details on the next page. If you're comfortable with it all then tick that you agree at the bottom of the page and then click 'submit'.

### **How do I opt out of the Plan if I have been auto-enrolled in the last month?**

If you opt out within 30 days of being enrolled you will receive a refund of any contributions you have already paid via payroll. You should have received/will receive a letter from L&G around pay day detailing how to opt out. Please contact L&G to opt out and they will inform us that you have opted out and we will arrange for your contributions to be refunded in the next available payroll and we will stop deducting contributions next month.

If you haven't received that letter please contact L&G using the following contact details and they can re-send:

0345 070 8686

[employerdedicatedteam@landg.com](mailto:employerdedicatedteam@landg.com)

If you decide to opt out from your workplace pension scheme, CRUK is required to automatically enrol you again every three years if you are still eligible. You will have the right to opt out again.

### **How do I opt out of the Plan if I have been in the Plan longer than one month?**

To opt out you will need to log in to Workday and go to the 'Benefits' section. From there please select 'Benefits' under the 'Change' heading. Then select 'Join/Change Pension Scheme' and select the date you want to opt out from. Note that changes will always start from the first of the month so if any date is selected other than the first, contributions will cease on the first of the following month.

You should then click the 'waive' option next to the tier you are currently in. You can then click 'continue' and then check the details on the next page. If you're comfortable with it all then tick that you agree at the bottom of the page and then click 'submit'.

If you decide to opt out from your workplace pension scheme, CRUK is required to automatically enrol you again every three years if you are still eligible. You will have the right to opt out again.

## **General pensions help**

### **What pension benefits does CRUK offer?**

For most staff, pension benefits are offered through the Cancer Research UK Retirement Plan (a defined contribution pension scheme), provided by Legal & General. You can find out more about the Plan [here](#).

Information about our other schemes is available on the pensions intranet page.

### **How does the Cancer Research UK Retirement Plan work?**

For an explanation of how the Plan works, see the video available [here](#) and the Plan booklet available [here](#).

The Legal & General website also has information on the Plan. This is available at [www.legalandgeneral.com/cancerresearchuk](http://www.legalandgeneral.com/cancerresearchuk)

### **Am I eligible for the Cancer Research UK Retirement Plan?**

All of our staff are eligible to join the Cancer Research UK Retirement Plan, apart from casual workers or members of the Universities Superannuation Scheme (USS).

### **How much will I have available in my pension pot when I retire?**

This will depend on a number of factors, including the number of years that you contribute to your pension, how much is paid into your pension pot over that period of time, the charges deducted, and any investment growth.

The more contributions that are paid into your pension pot, the more you're likely to have available at retirement. You can normally take up to 25% of your pot tax-free with the rest taxable as income.

Use the L&G [Retirement Planner](#) to see how much pension pot you could have available when you retire based on your monthly contributions.

### **How do I change my retirement age?**

CRUK may have set your retirement age for you, for example to age 65, but you can change it to a different age. The earliest you can choose is your 55th birthday.

Your retirement age is used for illustration purposes (estimating how much you'll get when you come to take your pension), and is also used in conjunction with a lifestyle investment option. It is therefore important that your retirement age reflects your plans.

So, if at any time you'd like to change your retirement age all you need to do is call the Legal & General helpline which you can find on the Contact us page.

### **What happens if/when I leave CRUK?**

Legal & General will contact you to tell you all the options that are available to you.

### **What State Pension will I receive?**

On 6th April 2016 the State Pension was fundamentally changed for people whose State Pension Age falls on or after that date. Your entitlement to State Pension, and when you will receive it depends on a number of factors. The simplest way to get more information including a forecast of your State Pension entitlement is through the [Government website](#).

### **What should I do if I'm close to retirement age?**

When you come to access your pot, free and impartial guidance is available to you from an independent government service called Pension Wise to help you understand your options. Visit their [website](#) for more information.

If you're still unsure about your options we recommend you speak to a financial adviser. You can find one in your local area by visiting [Unbiased](#). Please note, financial advisers will usually charge a fee for their services.

### **My contact details have changed, what do I do?**

You should update Workday, as well as informing Legal & General.

To inform Legal & General, you can log onto [Manage Your Account](#) and 'Manage your details' options from the 'Your details' menu at the top of the page. You will then be able to advise us electronically of your change in circumstances.

Alternatively you can contact them at the details in the 'Further support' section.

### **Why have I received an enrolment letter?**

You have received an enrolment letter if we have assessed your eligibility for automatic enrolment and decided that you met the requirements for being an eligible jobholder. The criteria for this include being aged between 22 and State Pension Age and having earnings above the current earnings threshold.

For more information you can go to the [Pensions Advisory Service website](#).

### **What is the Annual Allowance?**

This is the maximum amount set by HM Revenue & Customs (HMRC) that can be saved into across all pensions each year without incurring a tax charge. It includes contributions paid by your employer and anyone else on your behalf. Below this maximum amount you'll receive tax relief on your personal contributions as long as the total of those contributions are also within your yearly income. The Annual Allowance applies to all pension schemes that you belong to, including any defined benefit schemes.

The period over which the allowance is measured is called a Pension Input Period, and is aligned with tax years, from 6 April to 5 April the following year. If you go over the Annual Allowance you will pay tax on the amount above it. The amount you pay is based on your highest marginal rate of income tax.

You may also be able to carry forward any unused allowances from up to three previous tax years.

More information is available [here](#).

### **What is the Lifetime Allowance?**

This is a limit on the total amount of pension savings that you can build up in all your pension arrangements over your lifetime before you have to pay a tax charge. This is called the Lifetime Allowance. For most people their Lifetime Allowance will be the Standard Lifetime Allowance. Certain circumstances may mean you have a different personal Lifetime Allowance – these are known as fixed 2012, fixed 2014, primary, enhanced or individual protection and you will have completed an HMRC election form if they apply to you.

If you go over the Lifetime Allowance, anything over this amount will be taxed and the rate of tax is different depending on whether you choose to take it as cash or provide yourself with an extra pension income.

If you choose to use it to provide yourself with an extra pension income, the income will also be taxed at your marginal rate of income tax.



It is important to be aware that the Lifetime Allowance may reduce in the future, and you may be entitled to a higher Lifetime Allowance if you have received a certificate confirming this from HMRC.

**I used to be a member of the final salary scheme; how do I find out about my benefits in there?**

You should contact the administrators for that Scheme, Premier, using the contact details below:

- Phone: 0800 122 3480
- Email: [CRUKPensionScheme@premiercompanies.co.uk](mailto:CRUKPensionScheme@premiercompanies.co.uk)

**Further support**

Support available	Information provided	Contact details
Attend a presentation	Further information on the change and options available	Book online at: <a href="https://bit.ly/CRUKpensions">bit.ly/CRUKpensions</a> A video of the presentation will be available on the intranet and Legal & General’s website
Legal & General	Further information on the change and options available, switching funds, detailed investment information, recorded presentation, FAQs	Specific plan information is available at: <a href="http://www.legalandgeneral.com/cancerresearchuk">www.legalandgeneral.com/cancerresearchuk</a>  0345 070 8686  employerdedicatedteam@landg.com  (you'll need to give our CRUK identification number, which is 48, and your policy number if applicable, which is at the top of this page)
Workday	Joining/leaving the Plan, changing contributions	Access Workday, our HR system, at <a href="https://wd3.myworkday.com/cancerresearchuk/d/home.html">wd3.myworkday.com/cancerresearchuk/d/home.html</a>
Pensions team	Additional help	pensions@cancer.org.uk