

Imprint

OSPS

A newsletter from your Trustees

University of Oxford Staff Pension Scheme ('OSPS' or 'the Scheme')

We have been working hard to give you better, more accessible information about your pension and this new-format newsletter is part of that work. Rather than lots of figures, we have included more news and practical items on retirement saving that we hope will be useful to you. If you would like to see the figures, a 'Scheme facts and figures' document is available on the pensions website: <https://finance.admin.ox.ac.uk/osps>

Information online

Speaking of the website, we have made significant improvements to it. We would

encourage you to go on to it using the link on the left and have a look around. You do not need a password, so you can use the website whether you are a current employee, a past member (who still has benefits in the Scheme), or a pensioner.

Could you be a Trustee?

We have five member-nominated Trustee positions, one of whom is a pensioner-nominated Trustee. Every year at least one of them comes to the end of their three-year term of office. Is this something you might consider? If you are

attracted by the thought of putting yourself forward the next time a vacancy arises, please look at the 'Trustee' section of the website. Alternatively, contact one of us for an informal, no-obligation chat.

Tell us what you think

Please let us know your views on the format and content of this newsletter, and the updated website. You can send an email directly from the website or contact the Pensions Office, using the contact details on the last page.

Nick Sykes
Chair of the Trustee

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Pension information online

We have made significant improvements to our pension website to make it easier for you to find information about your benefits online.

<https://finance.admin.ox.ac.uk/osps>

- If you joined the Scheme after 1 October 2017, you are in Investment Builder.
- If you joined before this date, you are in the Defined Benefit (DB) section.

Easy to access

The pension website is accessible whether you are a current employee, a past member who is not yet receiving a pension, or a pensioner. You do not need a password to access it. On the home page you will find the various sections signposted with distinctive icons to help you find the information you want more easily.



What you can do online

- Find information about OSPS including booklets for the DB and Investment Builder sections, recent newsletters and all the forms you might need as an OSPS member.
- Read about pension tax allowances – the annual allowance and lifetime allowance (also see page 10).
- See explanations of the technical pensions terms associated with OSPS pensions.
- Find out who the current Trustees are and what a Trustee's duties involve (also see page 15).

DB section members

- See how your benefits build up in the DB section according to which cost plan you have chosen.
- Use the cost plan modeller to see the effect of changing your cost plan on your pay and pension.

- Download the forms you need to change your cost plan or your personal details, including your bank details.
- Find out about paying additional voluntary contributions (AVCs) and transferring benefits from other pensions into the Scheme.
- Look at the options for your benefits if you leave your employer and stop building up benefits in the Scheme.
- Research how to retire from the Scheme, including how to work out your normal retirement date and when you can claim your Scheme benefits.
- Review the benefits your dependants would receive if you die. You can download an Expression of Wish form to nominate people to receive your benefits.



Investment Builder members

The Investment Builder section includes a link to Legal & General's website. This has a 'Manage your account' feature where you register for an account giving you secure access to details of your own retirement savings. Using your account you can:

- see an up-to-date value for your retirement savings
- change your personal details quickly and easily
- estimate your future retirement income using the online modeller
- access information about investment, and
- change your investment choices.

Even without logging into your account there are several things you can do on Legal & General's website.

- See details of the contribution rates, including employer matching contributions.
- Find out how to transfer benefits into Investment Builder and download a form to investigate a transfer.
- Review the benefits paid from OSPS to your dependants if you die (these are in addition to the benefits from Investment Builder).
- Download the Investment Builder booklet and investment guides.

Your feedback

The main OSPS website has a 'feedback' feature on each page asking whether you found the page useful or not. Please use this to let us know what you think of the website. If you have any other feedback or suggestions for things you would like to see included, please tell the Pensions Office. You can send an email directly from the website or use the contact details on the last page of this newsletter.

Keeping your details up to date

You play an important part in running the Scheme by keeping your personal details up to date.

- If you are a past DB member, you can download a 'Change of address or bank details' form from the 'Forms for Members' section of the pensions website.
- If you are in Investment Builder, you can update your details using the 'Manage my account' feature on the Legal & General website.

Telling us your wishes

Keeping your nomination form up to date is also vital. This involves you telling us, your Trustees, whom you would like benefits paid to if you die before you retire. You might consider doing this regularly – for example, every three years or so – even if your wishes have not changed. It will give you the peace of mind that we will know what your wishes were if the worst should happen.

You can find the nomination forms in the 'Forms for Members' section of the pension website. There are different nomination forms for different categories of member, and a separate form for nominating someone to receive a dependant's pension.

How we protect your personal details

You can be confident about giving us your personal details. As your Trustees we are 'data controllers' under the General Data Protection Regulation ('GDPR'). GDPR aims to protect personal details by standardising the way organisations hold, store and process personal details.

We have produced a 'Fair Processing Notice' that sets out how we use and store your personal details for the purpose of running OSPS. You can find this in the 'Documents' section of the pension website under 'Legal'.

Plan your future

It is important to have a plan for your financial future. Here are some suggestions for planning your retirement income, using the pension website to help you.

Your personal target

Research by the Pensions Commission and other official bodies into 'pension adequacy' recommends setting yourself a personal retirement income target of:

- approximately 40% of your current earnings, plus
- your State pension.

Similar research suggests that people tend to spend more when they first retire, then reduce their spending for a while. In later years, spending tends to increase again due to costs such as medical and retirement care.

Review your current finances

To check your current financial situation you will need to gather together your current bank, building society and savings account statements, along with benefit statements for your pensions (you should receive one of these each year). Remember to include your State Pension (see 'State Pension reminders' on page 12).

Looking at these should give you a reasonable idea of your current level of savings and investments including pension savings, and how it compares to your retirement income target.

Do you have a savings gap?

If you have a gap between your current situation and your target, here are some suggestions for action you could take.

Boost your pension benefits

For current employees

If you are a current employee building up benefits, you could consider increasing your contributions.

DB section

Increase your cost plan level to build up benefits at a higher rate. You can change your cost plan level in April each year. Download a **Change of cost plan form APP6** from the pension website, fill it in and return it to the Pensions Office before 31 March. The current cost plan levels are opposite.

- **Lower:** 6.6% contributions, to build up benefits at the 1/90 rate.
- **Standard:** 8.0% contributions, to build up benefits at the 1/85 rate.
- **Higher:** 9.6% contributions, to build up benefits at the 1/80 rate.

Investment Builder section

Increase your contributions and receive higher 'matching' contributions from your employer. Although Investment Builder has been designed to be affordable for all with a default contribution level of 4%, **you should consider increasing this if you can.** The table below shows how the employer matching contributions increase in line with your contributions.

You can change your contribution rate in April each year. Download a **Change of cost plan form APP6DC** from the pension website, fill it in and return it to the Pensions Office before 31 March.

	Percentage of your pensionable salary		
	Members' contribution rate	Employers' contribution rate	Total going into Investment Builder
Tier 1	4%	6%	10%
Tier 2	6%	8%	14%
Tier 3	8%	10%	18%

Paying in more

Whether you are in the DB or Investment Builder sections you may, if you wish, build up further benefits by paying extra contributions known as Additional Voluntary Contributions (AVCs) to Investment Builder. You invest your AVCs in the range of investment options available from the Investment Builder provider, Legal & General. See 'Investing for the future' on page 8 for more information about the investment options.

For past members

Check whether your current employer's pension, if you have one, offers AVCs or the ability to pay higher contributions.

Consider taking out a personal pension. There is no limit to the number of pensions you can have, so you may contribute to a personal pension alongside your employer's pension.

In addition, you might consider other forms of saving, such as bank and building society accounts or Individual Savings Accounts (ISAs).

Investing for the future

This section is for you if you have benefits in Investment Builder – whether these are your main benefits or AVCs.

How you invest your retirement savings can make a significant difference to the amount of your retirement income. To do this successfully it is important to understand a little about investment and the different types of investment risk and reward. Here is a brief summary; you can find out more in the Investment Guide at <https://www.legalandgeneral.com/workplace/u/university-of-oxford/helpful-resources/document-library-page/>

Long-term growth, short-term risk

Most people want their retirement savings to grow as much as possible, so it may seem obvious to choose investments that target high growth. The downside of ‘growth’ investments is they tend to rise and fall in value, sometimes quickly. However, as a general rule the longer the time-frame for investment the more likely it is that overall growth will outstrip falls in value.

One way to manage this risk is to use a range of different investments in different markets. This is known as ‘diversification’. It aims to reduce the risk of some investments or markets performing poorly as other areas may compensate.

Short-term protection, long-term risk

When approaching retirement, the need to protect the value of retirement savings becomes more important – so the tendency is to switch into investments with a lower risk of short-term changes in value. The downside of these ‘protection’ investments is that they tend not to grow very much over the longer term. As a general rule they are considered more appropriate for use within a shorter time-frame, such as in the run-up to taking retirement benefits.

The default investment option

We can see how this works by looking at the default investment option – the fund you will be invested in if you have not made a different choice.

This is a Pathway fund, a pre-set investment strategy designed to automatically switch your retirement savings from growth to protection investments at different times. It also diversifies the growth investments by investing in a range of different areas, including UK and overseas equities (shares), property, infrastructure (transport and utility networks) and commodities (raw materials and agricultural products – for example, copper and coffee).

You can find a guide to the Pathway funds on the pension website at <https://www.legalandgeneral.com/workplace/u/university-of-oxford/helpful-resources/document-library-page/>

Your target retirement age

The Pathway funds aim to complete the move from growth to protection investments during the five years including your 'target retirement age' – the age you plan to take retirement. This is assumed to be your State Pension age unless you have specified a different target retirement age.

Please notify Legal & General, the Investment Builder provider, as soon as possible if your State Pension age is not the age at which you plan to retire. You can do this by using 'Manage your account' on the Legal & General website.

Pathway or Self Select?

Pathway is designed to be a sensible choice for most people, but it may not be right for everyone. You should consider carefully whether it is right for you. You may prefer to make your own investment choices from the range of 'Self Select' options available.

You can find more information about the investment options available in the Investment Guide at <https://www.legalandgeneral.com/workplace/u/university-of-oxford/helpful-resources/document-library-page/>

Pension news

Make the most of tax allowances

A pension is a very tax-efficient way to save. You may wish to check whether you are making the most of the HM Revenue & Customs pension tax allowances.

The annual allowance

You generally pay no income tax on pension contributions provided the total amount added to your benefits in a tax year is within the annual allowance. This includes:

- contributions from you and your employer to all the pensions you contribute to (not just your OSPS pension), and
- the amount of DB pension built up during the year.

The annual allowance is currently £40,000 a year for most people, broadly equivalent to building up £2,500 of DB pension a year. You may 'carry over' unused annual allowance from the previous three tax years, which could give you more scope for retirement saving in the current year.

You can find out more about the annual allowance on the pension website at: <https://finance.admin.ox.ac.uk/annual-allowance>

The lifetime allowance

The lifetime allowance covers the total amount of retirement savings you can build up throughout your working life that benefit from tax relief. It does not include State pensions. The lifetime allowance is currently £1.055 million and is expected to increase in line with inflation each April.

You can find out more about the lifetime allowance on the pension website at: <https://finance.admin.ox.ac.uk/lifetime-allowance>

The money purchase annual allowance

The money purchase annual allowance may apply if you are over 55 and begin to draw benefits from a 'money purchase' or 'defined contribution' pension (in which benefits build up from contributions and investment returns – like Investment Builder). It reduces the amount you and your employer can contribute, while still benefiting from tax relief, to £4,000 a year. You cannot carry over unused allowance from previous years.

Scam warning

It is a sad fact that many people are still finding themselves the victims of pension scams. The Financial Conduct Authority (FCA) keeps a warning list of known scams on its 'Scamsmart' website: <https://www.fca.org.uk/scansmart>, along with a 'Don't let a scammer enjoy your retirement' leaflet and other useful information about how to avoid scams. You can find out whether an offer you have seen is on the warning list by answering some questions on the website.

Here are some reminders of the forms scams can take.

- Telephone 'cold calls' offering help with your pension. **These are now illegal.** If you receive a phone call about your pension, you may wish to obtain information about the caller so you can report it to the Information Commissioner's office: <https://ico.org.uk> or phone: **0303 123 1113**.
- Offers claiming to be from an official organisation such as the Pensions Advisory Service or Pension Wise are unlikely to be genuine. These organisations will not contact you unless you contact them first.
- Even if the person or organisation offering pension help has professional-looking materials (easily produced with modern technology) and claims to be a legitimate financial adviser, it is easy to check whether they are registered with the Financial Conduct Authority (FCA) by looking on: <https://register.fca.org.uk>.

If you have taken up an offer to transfer your pension but are now concerned it could be a scam, it may not be too late but you should act **immediately**.

- Contact the Pensions Office (if you are a current employee) or your pension provider (if you are a past member). It may be possible to stop a transfer that has not yet taken place.
- Report the offer to Action Fraud on **0300 123 2040**.
- Report the offer to the FCA using the online form on their website or call **0800 111 6768**.



State pension reminders

The full amount of State Pension is currently £164.35 a week. To qualify for this, you need to have paid full-rate National Insurance (NI) contributions, or received NI credits, for 35 years. As OSPS was contracted out of the State pension arrangements in the past, you may not qualify for the full amount of State Pension. You can check the amount of State pension you might receive by requesting a State Pension forecast on the Government website at: www.gov.uk/check-state-pension.

You must claim your State Pension – it is not paid automatically.

You normally receive a letter around two months before reaching State Pension Age to ask if you wish to claim your State Pension. If you are near State Pension Age and have not received this letter, you can still claim your State Pension.

Online: visit the Government's gov.uk website at: <https://www.gov.uk/get-state-pension>

Or by phone: **0800 731 7898**

You can find more information about State Pensions online at: <https://www.gov.uk/state-pension>

If you are not sure of your State Pension Age you can calculate it online at: <https://www.gov.uk/state-pension-age>

You can check the amount of State pension you might receive by requesting a State Pension forecast online at: <https://www.gov.uk/check-state-pension>

Useful organisations

For information about pensions

The Government's Money and Pensions Service is made up of the following organisations.

- The Pensions Advisory Service (TPAS), an independent, non-profit organisation that provides free information and guidance across the whole range of pensions, including State, occupational and personal.

Phone: **0800 011 3797**

Website:

www.pensionsadvisoryservice.org.uk

- Pension Wise has online guidance about the pension freedom retirement options. People aged over 50 with DC pension savings may make an appointment to speak to a guidance adviser free of charge.

Website:

www.pensionwise.gov.uk

To make an appointment with an adviser, call **0800 138 3944**

- The Money Advice Service has information about consumer finances, including obtaining independent financial advice. It has a directory of financial advisers who specialise in providing advice about retirement

Phone:

0800 138 7777

Website:

www.moneyadviceservice.org.uk

For professional advice

We suggest you may wish to consider taking independent financial advice if you are at all unsure about any aspect of your retirement savings. You generally have to pay for financial advice but this could be money well spent if it means you get a better income in retirement. The following organisations can help with finding financial advice.

- The Financial Conduct Authority (FCA) has information about choosing a financial adviser and a register of authorised and regulated financial advisers.

Phone:

0800 111 6768

Website:

www.fca.org.uk

- Unbiased has a directory of professional advisers, including financial advisers, that can be searched by postcode.

Phone:

0800 023 6868

Website:

www.unbiased.co.uk

Scheme facts and figures

This page shows headline figures from the OSPS report and accounts for the year that ended on 31 March 2019.

You can find a more detailed breakdown in the 'Scheme facts and figures' document in the 'Documents' section of the pension website.

Between 1 April 2018 and 31 March 2019, the value of the Scheme increased by

£61.5 million 

£49.9 million

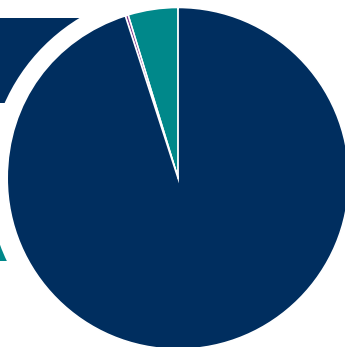
of this was due to the change in the value of the Scheme's investments

DB section

£737.8 million

Investment Builder section

£3.1 million



On 31 March 2019 the Scheme's total value was

£740.8 million 

£22.5 million

Between 1 April 2018 and 31 March 2019 the Scheme paid out **£22.5 million** in pensions and benefits

At 31 March 2019 the Scheme had

16,637 members

16,637 members

DB section

14,575

Investment Builder section

2,062



Your Trustees

As the individual Trustees that make up the board of OSPS Trustee Limited, we share responsibility for managing the Scheme in line with its rules and pensions law, and in the best interests of you, the members.

There are eleven members of the Trustee board in total. Five are appointed by the Council of the University and five are nominated and elected by members – including one pensioner Trustee. The independent Chairman is appointed by the Vice-Chancellor in consultation with the Trustees.

On the right we list the current Trustees. During 2019 Ms Niamh McEntee and Mr William Jensen stood down from their positions, and we would like to thank them for their work on behalf of members. The University is currently considering whom to appoint in their places.

University-appointed

Mr Nick Sykes	Independent Chairman
Mr Charles Alexander	Merton College
Professor Gordon Clark	Smith School of Enterprise and the Environment
Mr Nick Standen	Independent
(two vacancies)	

Member-nominated

Mr Leo Catney	Pensioner
Ms Kate Kele	Estates Services
Mr Robert Langley	Magdalen College
Ms Lucille Savin	Merton College
Mr Kevin Valentine	Department of Chemistry

Contacting us

If you wish to contact the Trustees, or have any questions about OSPS or your benefits that you cannot find an answer for on the Scheme website, please get in touch with the Pensions Office.

Telephone: **01865 616020**

Email: **OSPS@admin.ox.ac.uk**

Website: **<https://finance.admin.ox.ac.uk/osps>**

Post:

The Pensions Office
Finance Division
University of Oxford
6 Worcester Street
Oxford OX1 2BX

Please remember that the Trustees, the Pensions Office and anyone else involved in running OSPS **cannot** give you advice about any aspect of your retirement savings or financial situation. Please look at 'Professional advice' on page 13 for contact details of organisations that can help you find financial advice.

Photography:

Greg Smolonski / John Cairns / Phil Sayer / David Williams Oxford University Images