

# Connect

For members with an Investment Account

October 2023



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# Hello and thank you!

**In January 2023, we asked you to give us your views through the Your Voice survey. I'd like to say a huge thank you to over 2,000 of you who responded.**

The Trustee's role isn't just looking after the finances, it also involves supporting members with their benefits, whether that's making retirement decisions, paying death benefits or keeping you informed about the Fund. It is important therefore for us to find out how supported you feel and to understand what more we can be doing. We talk about the headline results from the survey on pages 4-5 and explain what actions we're planning to take as a result.

Whether it's paying pensions and benefits that our members rely on, deciding what assets to invest in, or helping our members plan for retirement, the Fund is a complex and important financial body that keeps benefits safe for over 22,000 people. As the Fund is separate from AstraZeneca, there's a separate Trustee board that runs the Fund. The Board is made up of seven Trustee Directors from diverse backgrounds which helps to ensure that a variety of perspectives are taken into account in the decision-making process. This includes an Independent Trustee, Law Debenture. Being a Trustee Director is a rewarding role, you can find out more about who we are and what we do on pages 12-13.

The Trustee encourages you to regularly review your investments. To help you do this, we give you a summary of the Lifestyle options on pages 8 and 9. The Trustee has recently published its first report on the Fund's risks and investment policy in relation to climate change scenarios and its general policies to reduce the Fund's carbon consumption directly and indirectly (the Task Force on Climate-related Financial Disclosures (TCFD) Report). You can find it at: [epa.towerswatson.com/accounts/astrazeneca](https://epa.towerswatson.com/accounts/astrazeneca).

This year's Budget brought some changes to the rules for pension saving, some of which apply from 6 April 2023 onwards. The changes included removing the Lifetime Allowance charge for this year and abolishing the Lifetime Allowance itself for next year. There were also increases in the Annual Allowance for all savers, including higher earners. We cover the key points on pages 14-15.

We hope you enjoy this latest edition of Connect.

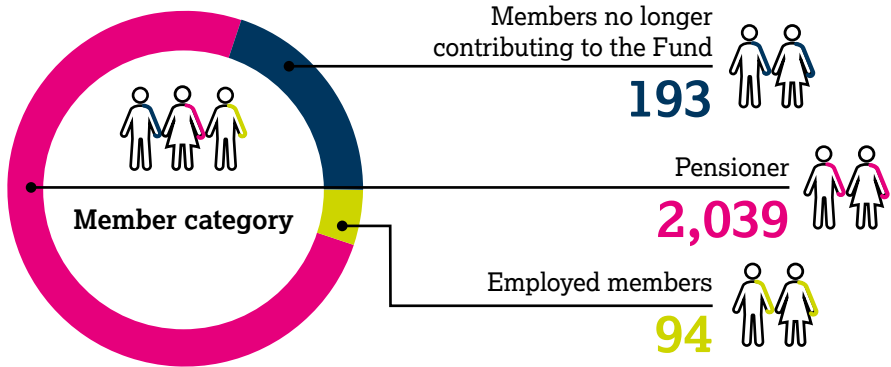
Adrian Kemp  
Trustee Chair

# Your voice

## What you said

2,327 members responded to the survey. Your Voice was a short questionnaire with 15 questions covering how you'd like to learn about the Fund, how we can support members better and how we can make it easier for you to connect to the Fund.

### Who completed the survey?



### Age breakdown



**591**

Age 36–50

**1,343**

Age 51–65

**387**

Age 66–85



## The headline results



**of all respondents believe that the Fund is well run by the Trustee.**

The most popular way to learn about the Fund remains ‘by paper’ but over half of the non-pensioner respondents preferred learning about the Fund online.

Members said they wanted to know more about ‘Maintaining the Fund in a volatile market and ensuring that it will meet future demands’ and ‘Performance of the Fund and security of future pension payments’. Most people who used the WTW Administration service had a positive view of their experience but noted that the response time could be quicker.

## My AZ Pension – your views

Most members said that My AZ Pension online was helpful and easy to use, but a handful of members would appreciate more reminders about it and would like it to link to the current AstraZeneca Pension Plan provided through Legal & General.

Members aged over 70 rated the site usability most positively;



Members who haven't retired rated this aspect of the site less highly.

## Our next steps

The feedback we received has given us great insight and lots of ideas for what more we can do to support you. As a very first step, we're going to:

- Improve accessibility to the AstraZeneca Pension Plan through clear links,
- Regularly email members so you're reminded about My AZ Pension,
- Continue to evolve and enhance My AZ Pension to help you find the information you need quickly, and
- Provide more insight into how the Trustee Board works and how we manage and maintain the Fund.

# Connecting online

## The Trustee wants to keep members informed about their benefits and investments.

At the same time, we're aware that sending you a paper newsletter is not cost efficient or in line with our initiative to go green.

With this in mind, the Trustee has decided to stop sending printed newsletters to members who are yet to draw their pension. If you've added an email address we'll let you know when it's available via email.



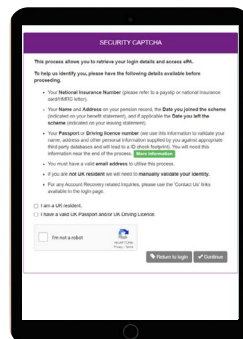
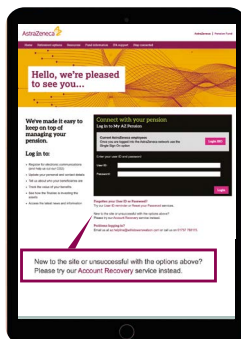
**Did you know**, sending you a newsletter in the mail costs around £1 per item (2nd class post) and at least 17.9g of CO<sub>2</sub>.

Source: Pitney Bowes white paper 'The Environmental Impact of Mail'



**To make sure you don't miss out on any newsletters and letters electronically, you can add your details by logging on at: [epa.towerswatson.com/accounts/astrazeneca](https://epa.towerswatson.com/accounts/astrazeneca)**

If you are unable to log in and you live in the UK, you can use the Account Recovery service to get the information you need to log on. If you live outside the UK, please contact the Fund administrators (details on the back page) to get your details reset.



If you'd like to continue to receive a newsletter and other documents such as your Investment Account annual statement by post, please email or call us, using the details on the back page. Or you can add your mailing preferences to My AZ Pension so we know how you'd like to receive the information we send you.

In the next Connect and other mailings, we'll remind you that we'll stop sending you newsletters and statements by mail, unless you make your preferences known.

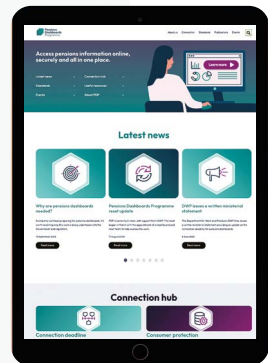
You also have the option on My AZ Pension to add your preferences for how to receive other key documents, such as choosing for your Retirement Statement to be added to your details on My AZ Pension. This means that when a new letter or statement is ready it will be posted online and you'll receive an email telling you it's ready.

## Pensions Dashboards

Many people build up lots of pensions as they change jobs. The Government and pension providers are working on developing online systems where you'll be able to see all your pots on one screen.

It's a few years off going live but it's another reason to keep in touch with the My AZ Pension online to ensure your data can be accessed easily by the Pensions Dashboards.

You can find out more about the Dashboards at:  
[www.pensionsdashboardsprogramme.org.uk](http://www.pensionsdashboardsprogramme.org.uk)



# Connect to your investments

Your Investment Account investment performance will affect how much money you have when you retire. So do you know where your Investment Account is invested and what your Target Retirement Age is?

## How Lifestyle works

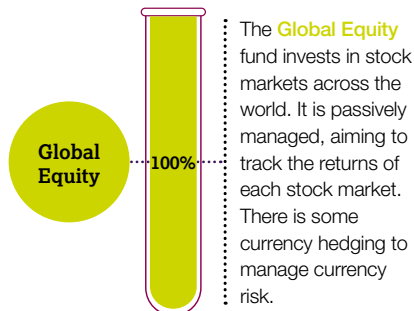
Lifestyle is pre-programmed to switch your Investment Account from funds expected to be higher risk/higher return (such as equities) at younger ages, to funds expected to be lower risk/lower return in the years nearing retirement.

## Lifestyle – a closer look

Broadly, all Lifestyle options aim for growth first, and then some protection in the run up to retirement, as well as matching how a typical member might choose to use their Investment Account.

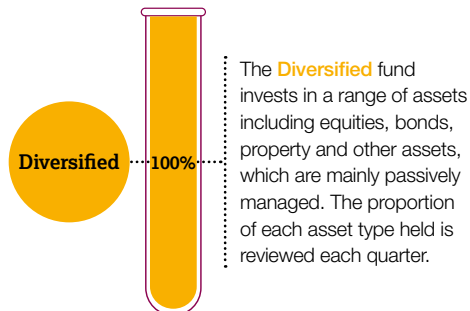
### Growth up to 20 years before your Target Retirement Date

All Lifestyle options use this fund



### Growth up to retirement

- **20 years to 10 years before your Target Retirement Date (TRD)** Switches gradually each month from 100% Global Equity to 100% Diversified
- **10 years to 0 years** Switches gradually each month from 100% Diversified to different options...







## Your Target Retirement Date

# Age 67

Your Target Retirement Date (TRD) is age 67 unless you've changed it. You can check your TRD by logging on and going to Investment Account decisions under the My Pension tab. It triggers the switching shown below. This means it is important that your TRD is the age you are planning to take your benefits from the Fund.

## Investment volatility

If your Investment Account is invested in the Annuity Lifestyle or the AZ Annuity Protection fund the value has fallen due to the volatility in bond markets towards the end of 2022. In particular if you are within 10 years of your TRD, or have chosen to invest in the AZ Annuity Protection Fund, your Investment Account would have fallen in value in September 2022. However, annuity prices also fell, which means that the income you can buy would have remained broadly unchanged.



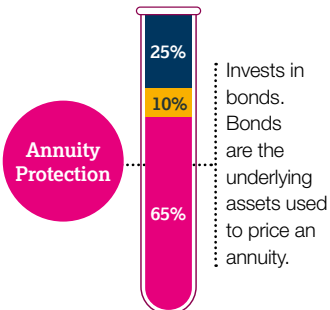
### At retirement

This final mix is designed to align your Investment Account with the main options: **Annuity**, **Drawdown** or **Lump Sum** but you can use your Investment Account in any way you wish at retirement.



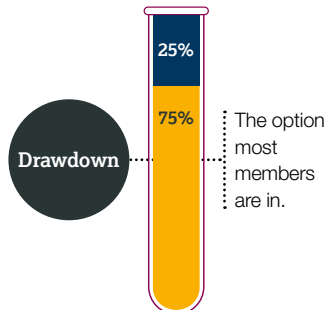
#### Annuity

Starts switching into the Annuity fund 10 years before and into the Cash fund 3 years before your TRD



#### Drawdown

Starts switching into the Cash fund 3 years before your TRD



#### Lump Sum

Starts switching into the Cash fund 10 years before your TRD



But you also have the option to invest in the Annuity and Lump Sum Lifestyle which are designed to align with the typical retirement choices members make.

# Connect to your Investment Account

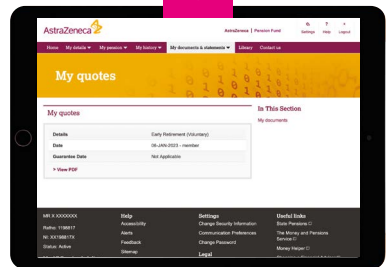
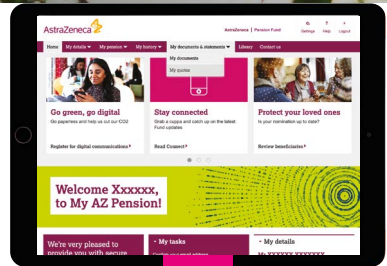
## What can you do?

Did you know that you can run your own retirement quotes on My AZ Pension?

To a run a quote...

- 1 Log on to My AZ Pension
- 2 Go to My pension
- 3 Select Get a quote from the menu
- 4 Select a date you'd like a quote for

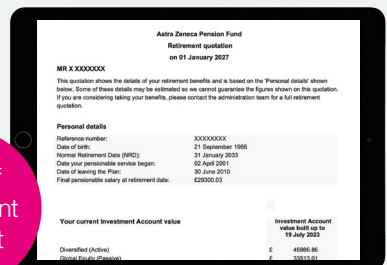
Simple.



## What does the quote show?

The quote shows the value of your Investment Account based on its value when you run the quote.

Value of Investment Account



You can also see your latest statement on My AZ Pension under the My documents and statements tab, this shows your Investment Account value forecast if you take your benefits at age 62 unless you've chosen a different target retirement age such as 65 that will be used on your forecast – you can check what age you've selected for retirement on My AZ Pension.



This should give you a good starting point for planning your next step or continuing to save for retirement. If you have registered for 'Lifetime Allowance Protection', have transferred in benefits into the Fund or have a special circumstance, such as divorce, you may not be able to run a quote, and this will be noted on the screen. If this happens, you should contact the Administration Team who will be able to run a quote for you. This requires a calculation process, so please allow one month after sending your request to receive the quote.



## DO

Log on to **My AZ Pension** and explore the modelling you can access to plan your retirement. You can also access your latest benefit statement there.



## KNOW

You can get an estimate of how much money you might need in retirement here: [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)



## EXPLORE

If you're still employed by AstraZeneca and think you can afford to save more, take a look at My Reward to find out more about the options available to you.

## Changes in how we calculate your Investment Account pension forecast

By law your annual statement must have a forecast of the pension you could buy with your Investment Account. This is intended to be a 'what if' estimate to help you plan. From October 2023, your forecast will assume that you buy **an annuity** that provides a pension just for you and doesn't increase once in payment. Previously, the forecast assumed that you bought a pension which increased and provided a pension for your spouse on your death. This means that your 2024 forecast annuity will be higher, although what income it would actually provide will depend on its value and the choices that you make when you retire.

# Trustee talks

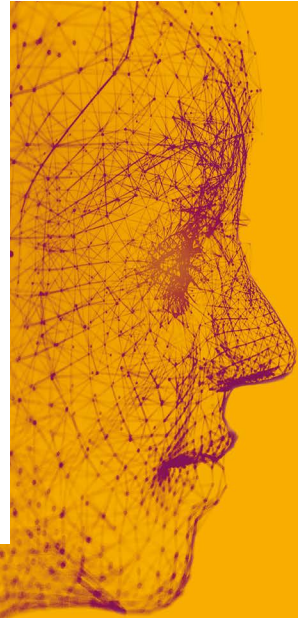
Many respondents to the Your Voice survey wanted to know more about how the Fund is run. It's a complex business so we've provided a series of features below to break down how the Fund is run on your behalf.



## What's a trustee?

Traditionally a trustee was an individual who was responsible for assets held in a trust fund to be paid to a beneficiary under the conditions of the rules of that fund. The key word here is trust. Most UK pension schemes were set up as a trust separate from the company, to protect the assets for its members.

As pensions law and corporate practice have evolved, the Fund's trustees are now Trustee Directors of a corporate trustee. There are currently seven Trustee Directors including an independent Trustee Director.



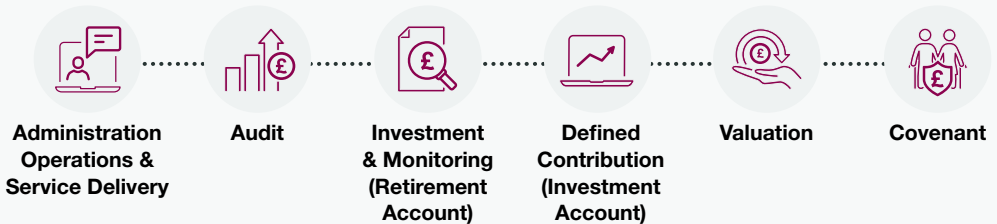
## How does the Trustee run the Fund?

With the Fund providing benefits for over 22,000 people, there are lots of day-to-day processes to complete such as paying pensions, updating member records, checking funding and working with our investment advisers to monitor investment performance.

To help ensure the Fund's members are protected, get a good level of service, and that life events such as retirement or death are run smoothly, the Fund has six dedicated committees.

## Main Trustee board

### Sub committees



### What they look after



#### **Administration Operations & Service Delivery**

Member communication, engagement and support  
Administration services  
Payroll



#### **Audit**

Producing Fund documents such as the Report & Accounts  
Reviewing adviser performance and making sure the Fund is getting value for money from its advisers and service providers  
Monitoring the risks facing the Fund



#### **Investment & Monitoring (Retirement Account)**

Helping the Trustee set the Fund's investment strategy  
Appointing investment managers and advisers to invest and make day-to-day decisions  
Monitoring the performance of the assets held by the Fund



#### **Defined Contribution (Investment Account)**

Reviewing and monitoring the Fund's DC Section including investments, administration, communication and governance with a focus on member experience and the day-to-day running of the IA Section of the Fund



#### **Valuation**

Recommending or approving proposals on funding  
Reviewing the Fund's long-term funding objective



#### **Covenant**

Assessing and discussing information provided by the Company about corporate activities, for example, mergers or take-overs by the Company

# The 2023 Budget gives pension savers more space to save

**There are two headline changes that could mean you can save more towards your retirement before paying tax.**

Although you aren't saving for retirement in the Fund, you may have gained extra pension savings 'space' if you're still saving for retirement elsewhere such as the AZ Pension Plan. They include:

## **No more Lifetime Allowance (LTA)**

The LTA, which is the total amount you could save into your pension over your lifetime before paying extra tax, will be abolished from April 2024. What's more, the charge for exceeding the LTA was removed from 6 April 2023. The most you can typically take as a tax-free lump sum when you retire will now be up to £268,275 (25% of the LTA for the 2022/23 tax year), unless you have a special LTA protection in place. Other benefits that were taxed at 55% if you went over the LTA will now be taxed at your marginal rate of income tax.

## **A rise in Annual Allowance (AA)**

This limits how much you can save tax-efficiently into a pension arrangement each year. Whilst it is still around, it is rising for the first time in years. Here are the key points:

- For most people, your AA jumped from £40,000 to £60,000 a year from 6 April 2023.
- If you've started to take any of your pension savings including those not from the Fund but then want to start saving again, the Money Purchase AA (MPAA) might apply instead. This limit increased from £4,000 to £10,000 from 6 April 2023.
- If you're a high earner, your AA will still gradually reduce as your income rises. The tapered AA also won't start to kick in until you've reached a slightly higher adjusted income of £260,000 (£240,000 last tax year). Your AA decreases by £1 for every £2 your earnings exceed £260,000 in a particular tax year. The lowest that this reduced AA could fall to will now be £10,000 for 2023/24 (up from £4,000 in the last tax year).



## DO

Check how much you are currently saving and consider whether you can afford to save more for retirement.



## KNOW

Go to [www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions](http://www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions) for a helpful overview of how tax relief works.



Scan this QR code with your phone or tablet camera.



## EXPLORE

Consider whether you can afford to save more tax-efficiently for life after work. If you can, consider which product or route is best, whether via a self-invested personal pension, your current employer's scheme or the AstraZeneca Pension Plan with Legal & General.

You might find MoneyHelper's Midlife MOT a good place to start:

[www.moneyhelper.org.uk/en/everyday-money/midlife-mot](http://www.moneyhelper.org.uk/en/everyday-money/midlife-mot)

# Need help

If you have a question, here's how to connect:

Contact the Fund administrator if you need help at:

If you can't get online, just call or write to us.



For Fund information go to My AZ Pension at:  
[epa.towerswatson.com/accounts/astrazeneca](https://epa.towerswatson.com/accounts/astrazeneca)



Scan this QR code with your phone or tablet camera.



[az.helpline@wtwco.com](mailto:az.helpline@wtwco.com)  
(formerly [az.helpline@willistowerswatson.com](mailto:az.helpline@willistowerswatson.com))

To help us respond to your enquiry and avoid delay, please include your month of birth, postcode and the last four characters of your National Insurance number in your email.

**To protect yourself online, please only include this information in your email.**



**01737 788115**

9am to 5pm, Monday to Friday.  
If you call us we'll also ask you for the identity information above.



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