



Welcome

to your yearly update
from **Pace DC**



What's been happening with Pace DC?

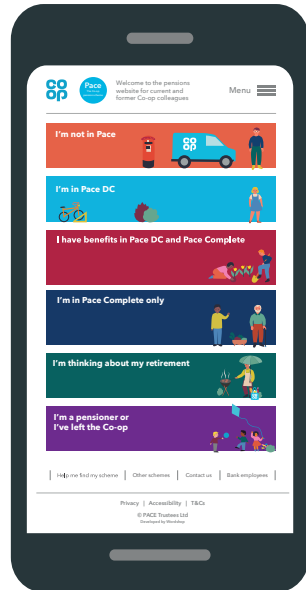
Pace DC just got more flexible

You can now increase or decrease your contributions any time you like, by completing the online form available on our new website. Please see details below.

Brand new website!

Go to coop.co.uk/pensions to have a look around. There's lots of useful information about Pace DC and ways you can make changes to your account.

There's a simple way to check out the value of your pension online whenever you want to, through Manage your Account. You can use this service by heading to the new website.



Look into the future

The Co-op has developed an online pension modeller to show you:

- How much it costs you to be in Pace DC and how much the Co-op will pay in to help you save.
- What you might get at retirement and what your choices are. You can also see the effect of changing your contributions or the date you retire.

You can access the modeller by going to coop.co.uk/dcm modeller

Bring your pensions together

If you're paying contributions to Pace DC, you can now transfer other pensions into Pace DC if you would like to do so. You can find out how to do this by going to the new website.

Remember, you should consider taking financial advice before going ahead with any pension transfer, to check you're making the right decision.

Pace continues to grow!

As at 30 June 2017, there were over 58,000 members contributing to Pace DC and the fund was valued at over £260 million.

Looking after Pace DC

We take looking after your funds seriously.

The Chair of Pace Trustees has issued a statement that is included in this year's Pace Scheme Report and Accounts, which explains how Pace DC has met with legally required standards in relation to:

- Investments
- Financial transactions
- Charges and costs
- Trustees' knowledge and understanding.

You can view the Report and Accounts by going to the new website.

Go to the new website, coop.co.uk/pensions to have a look around, or for more information.



Changes to pension tax limits

The maximum tax-free pension savings you can make each year is limited by the Annual Allowance. The Annual Allowance is currently £40,000 for anyone whose 'income' from all sources (including annual employer pension savings) is more than £150,000.

Money Purchase Annual Allowance

If you've taken your pension savings from Pace DC or any other money purchase (DC) pension arrangement as a cash sum or drawdown after 5 April 2015, the maximum tax-free pension savings each year will be £4,000 (this was £10,000 before April 2017). You should have been advised by your pension provider when you took your retirement benefits if the Money Purchase Annual Allowance applies to you.

You can find out more about the pension tax rules by visiting the new website.

Who would you like to receive your death benefits if you die?

Don't forget that Pace DC also provides death benefits. The Trustees decide who should get any death benefits from Pace, so it's very important to keep your Nomination form up to date as your circumstances change, to tell the Trustees how you would like the benefits to be paid. To obtain a copy of the Nomination form, go to the new website.

Go to the new website, coop.co.uk/pensions to have a look around, or for more information.



Updates regarding Co-operative Bank

In September the Co-operative Bank, one of the participating employers in Pace, confirmed that it had completed an exercise to raise capital in order to secure its long-term plans.

Following detailed discussions between the Trustee, the Co-operative Group and the Bank, it was agreed that there will be some important changes to Pace to ensure that the future pension obligations of the Bank and the Group are separate.

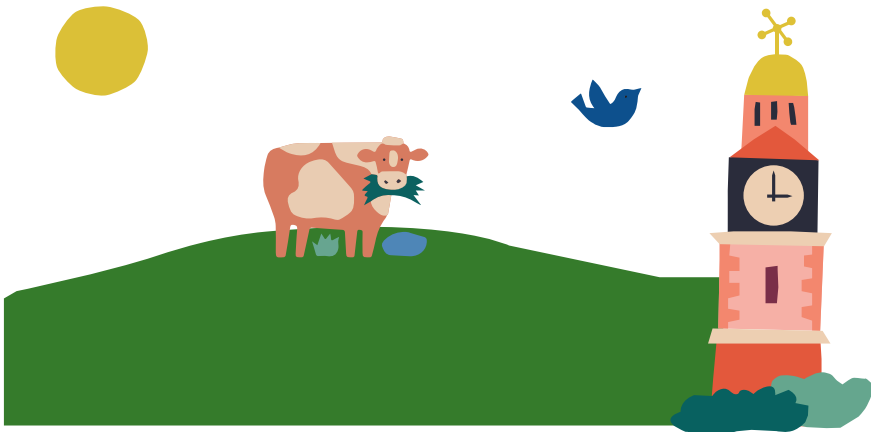
The Trustee has been very active in representing members' interests during these discussions, and we can confirm that the changes will not have any effect on the DC Fund you've built up in Pace.

The changes mean that Pace will continue as a single pension scheme, overseen by the same single Trustee Board, however there will be two separate sections within it:

- a Group Section, with the Co-operative Group and various other participating employers
- a Bank Section, with the Co-operative Bank as the sole participating employer.

Further details will be provided on the Pace website in due course.

Go to the new website, coop.co.uk/pensions to have a look around, or for more information.



Looking after your data

In May next year, the law on data protection will be changing. Under the new law, much will remain the same, but we'll be taking extra steps to protect member data. We'll also help you to understand more about what we do with it and what your rights are when requesting it. We'll provide you with more information about these changes and what they mean for you on the pensions website coop.co.uk/pensions in advance of the changes happening.

Please note that this newsletter contains a summary of the benefits provided by Pace DC, but the actual benefits are governed by the Pace Rules. In the event of any uncertainty between this newsletter and the Rules, the Rules will prevail. The value of investments can go down as well as up and past investment performance is no guarantee to future returns.