



# Your 2022 update

## from Pace DC

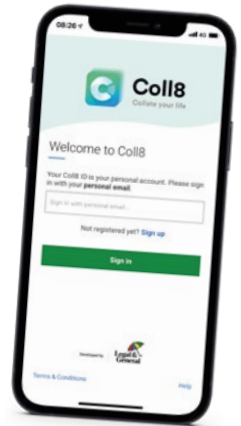
This year's update tells you about Coll8 (Legal & General's pensions app) and a new online tool we've created to help you understand your retirement options. We hope that by introducing these tools, you will be able to access the information you want about your pension in the way that works best for you. Turn the page to find out more.



# Your pension on your phone

Remember you can now check your Pace DC pension on your smartphone or tablet, using Legal & General's Coll8 app.

You can see how much you've saved, what your last contribution was, change your investment choices and update your retirement age. It's important to let us know if your retirement age changes, especially if your account is invested using one of the Target options, where Legal & General automatically switch your funds according to how far from retirement age you are. Coll8 works with facial or fingerprint recognition to keep your account secure.



Use the QR codes below to download the app, or search for Coll8 in your app store:



Download Coll8 on the App Store



Download Coll8 on Google Play



If you haven't already registered on Legal & General's secure member website, Manage your Account, to access Coll8 you'll need your Pension Account Number (which is on your benefit statement) and an email address.

There's also a live chat option if you need help. Just click on the 'Help' button - it's available weekdays, 9am to 5pm, but you can also get help from a 'virtual assistant' outside of those hours.

# How to decide what to do with your DC pension when you retire

This could be one of the biggest financial decisions you'll ever make, so there are some things you may want to think about.

Am I getting the best deal?

Is this genuine?

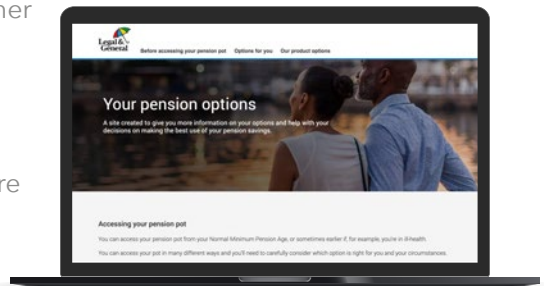
What are the charges?

How much tax will I pay?

Can't I just take it all now?

How do I choose what to do?

To help you answer these and other questions, we've worked with Legal & General to create an online retirement portal to help you explore and understand all your retirement options and where you can get further support – helping you make the right decision for you and your personal circumstances.



As well as a video, there's a step-by-step guide to follow, and places to go for pensions guidance and advice along the way.



Scan the QR code or visit [yourpensionoptions.legalandgeneral.com/co-operative](https://yourpensionoptions.legalandgeneral.com/co-operative) to find out more.

# Drawdown or annuity? Help is at hand....

Please see  
our jargon buster  
in the box below

As well as creating an online retirement portal, we've also made some changes to give you extra support once you've decided which option to take.

## Drawdown

We know many members find it difficult to choose a drawdown provider. Drawdown isn't available directly from Pace DC but you now have the option to move your account into Legal & General's Pension Access Scheme (PAS), which is a Mastertrust set up to help pension savers access their money flexibly through drawdown. Legal & General are the current administrators of Pace DC, so you'd be able to continue to use their online system, Manage your Account, if you transferred to the PAS.

## Annuity

If you want to buy an annuity, Legal & General can help you shop around for the best deal. Scan the QR code or visit **[yourpensionoptions.legalandgeneral.com/co-operative](https://yourpensionoptions.legalandgeneral.com/co-operative)** for more information on annuities, and all of the other retirement options.



However, you don't have to use Legal & General, for either the annuity service or to access drawdown. There are many other providers who offer these services and you can contact them directly or through a financial adviser. While the Pace Trustees have facilitated access to these options, they're not recommending any particular course of action and are not responsible for information provided by the annuity service.

**Annuity** – this is where you use the money in your account to buy a pension from an insurance company. Your benefit statement shows how much pension your account could buy but you don't have to use it in this way. Legal & General make assumptions about the cost of buying a pension (known as 'annuity rates') but these change from year to year. You might notice the amount of pension you get for your money is different from last year's statement, but remember this is only an assumption.

**Cash** – this is where you take the money in your account as a cash lump sum.

**Drawdown** – this is where you transfer the money in your account to another provider but keep it invested, drawing money out flexibly, as and when you need it.

# About our investments

**Investment markets affect how well your pension savings grow. As the world recovered from the financial impact of the pandemic, 2021 saw growth in investment markets. However, the Russian invasion of Ukraine, and dramatic increases in inflation, have led to negative returns on many asset classes.**

You may see a fall in the value of your pension pot compared to last October. Like most investment markets, returns on the Pace Growth and Pace Pre-Retirement funds have generally been negative over the year. However, a large proportion of Pace DC members have time for their funds to recover from the current negative market conditions, and may even see an increase in their projected pension at retirement when compared to last year's statement. We know that members who are looking to retire in the near future will be concerned as the Pre-Retirement funds in particular have fallen in value over the year to 5 October 2022, however, these funds aim to follow the costs of buying an annuity, which will also have fallen. We'll be writing directly to members invested in the Pre-Retirement funds shortly. If you are thinking about retiring in the near future, you should contact L&G for an updated quotation which will reflect current market conditions.

Remember that the change in the value of your pension pot reflects how investments have moved over the last 12 months and doesn't necessarily indicate how they will perform in the future as returns can go down as well as up; Pace DC members should remember to take a long-term view.

We're currently carrying out our regular, in-depth review of the Pace DC investment options, including the default Target: Lump Sum option. We're working closely with our investment adviser and Legal & General, and if any changes are required these will happen in 2023. More information will be available through the pensions website in due course.

## Shariah fund launched

We have expanded Pace DC's fund range to include the Pace Growth (Shariah) Fund. This fund follows an investment process which aims to meet the requirements of Shariah law and the principles of Islamic finance. Find out more by scanning the QR code - and if you want to invest, you can change your investment choices through Manage your Account or via the Coll8 app.



# How we're tackling climate change

**Climate change presents huge risks to the economy but also creates opportunities to make a difference to the world we live in.**



Last year we told you about new climate reporting requirements under the Taskforce on Climate-related Financial Disclosures (TCFD) framework. We've been working with our advisers and Legal & General to ensure we manage these risks appropriately and meet the reporting requirements. Our first report is available on the pensions website.

The risk that climate change poses to the default, Target: Lump Sum option, for Pace DC is expected to be relatively low, in part due to the steps we've already taken to ensure Environmental, Social and Governance risks (including climate risk) are factored into the Pace Growth (Mixed) and Pace Growth (Shares) 2021 funds. We're also publishing the 'carbon footprint' for Pace DC's investments, which will be updated each year to measure progress against our target to be Net Zero by 2050, and to reduce the emissions of our investments by 50% by 2030.

We'll keep you updated on our journey to drive positive changes in Pace DC to help combat climate change. In the meantime, you can find out what steps we are taking by reading the TCFD report and our Implementation Statement on our website: <https://bit.ly/3bN9ugY>

## **Your pension has the power to change the world**

We have signed up to an exciting platform called Tumelo, which lets you know where your money is invested and gives you a say in how those companies are run. You can find out what's being discussed at those companies' annual general meetings (AGMs) and have your say on the issues that matter to you, whether that's climate change, the gender pay gap or working conditions.



You can access Tumelo directly at [co-op.platform.tumelo.com](https://co-op.platform.tumelo.com) (or use Legal & General's new Coll8 app - see page 2).

# Pensions noticeboard

## The normal minimum pension age (NMPA) is going UP

The Government has confirmed that the minimum pension age at which people may ordinarily access their pension benefits will increase from 55 to 57 from 6 April 2028, alongside planned increases in the State Pension Age. Depending on when you joined Pace and the benefits that you have in Pace, you may be protected against this change and may still be entitled to access your benefits before age 57 after 6 April 2028. We'll let you know if this applies to you in due course.



### Moving your pension into one pot

If you're paying into Pace DC, remember that you can transfer other pensions into your Pace DC account. For many members it might make sense to do this, but for others it might be more complicated, especially if your old pension has special features that you'll lose if you transfer (such as a right to take your pension before 55 or 57 - see above). Check out the 'Guide to pension transfers' on [coop.co.uk/pensions](https://www.coop.co.uk/pensions) under 'I'm in Pace DC'. If you want to go ahead with a transfer, then you can download the transfer-in form from the website. If you've lost track of pensions from previous jobs, the Pension Tracing Service can help you. Visit [www.gov.uk/find-pension-contact-details](https://www.gov.uk/find-pension-contact-details) or call 0800 731 0193.

### If you have a complaint

We want to run Pace DC so that our members never have cause for complaint. However, sometimes problems do arise. In our experience, they're very often the result of simple misunderstandings which can be put right very easily and quickly by contacting Legal & General or the Co-op Pensions Department. If that doesn't work, then we have a formal complaints procedure, known as the 'internal dispute resolution procedure'. This was updated in January 2022 to streamline the process for members and shorten the time taken to resolve issues. You can find it on the website under 'Useful information' or request a copy from the Co-op Pensions Department.

## Christmas has come early for scammers

Pension scammers love to exploit events, such as the pandemic or the current cost-of-living crisis – and changes in the law also make good fodder for fraudsters!



Not only are people facing rising costs and so are more likely to consider accessing their pension savings, but with the minimum pension age rising from 55 to 57 in 2028, scammers may try to exploit this confusion and convince you that they can help you access your savings earlier.

However, instead of getting access to your pensions early, you may end up with a huge tax bill or no pension at all. The Financial Conduct Authority (FCA) has some useful tips to help you avoid a pension scam:

[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

### Jingle...

A survey by the Pensions & Lifetime Savings Association (PLSA) showed that around a third of pension savers spent some of their time over Christmas last year reviewing their finances, including their pension. How will you spend your Christmas this year? Remember you can see how much is in your DC account at any time by logging into Manage your Account or through the Coll8 app.

### ... or jangle?

More recent reports suggest that four out of five adults (81%)\* are worried about making ends meet as the cost-of-living crisis bites. Worryingly, people who decide to reduce their pension contributions now may end up with £15,000 less in their pots at retirement due to lost investment growth. It's understandable that many households are being forced to make tough decisions with reduced budgets, but it's important to keep an eye on the future and think longer term, too.

Having a pension in place is one of the best ways to plan for your future financial wellbeing, so you should think twice before making a decision that could result in long-term pain for a short-term gain.



\*from a 2022 survey by Scottish Widows