

Imprint

OSPS

A newsletter from your Trustees

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

Welcome to the latest issue of 'Imprint', which we are aware is reaching you in highly unusual circumstances. Let me begin, then, by saying that we hope you and your families have stayed healthy, and will keep safe and well in the coming months until the pandemic is behind us.

Business as usual

As Trustees, we have to build the possibility of 'events' like COVID-19 into our planning, and in our Trustee update (see the next page), we talk about how we maintain the OSPS on a business-as-usual footing in a little more detail.

Online assistance

We are also aware that as part of lockdown, some people have had more time available to consider their personal and financial situations, and others may have faced significant lifestyle changes and money worries. With that in mind, we have included reminders this year to a wide variety of online support available that might help with your financial planning – from the information available on our own pension website, to some useful external sites, some of which have appeared since our last edition.

Detailed updates

On the subject of our website, don't forget that while 'Imprint' rounds up general news and information, the detailed 'Scheme facts and figures' document is available online. This includes the results of the latest valuation, plus an even more recent update. Go to: <https://finance.admin.ox.ac.uk/osps-documents>.

I hope you find this issue interesting and useful.

Nick Sykes
Chair of the Trustee

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Trustee update

As Trustees, we are jointly responsible for managing the Scheme efficiently and effectively, in the best interests of its members. We are fortunate that we have been able to continue to do this, despite the current situation.

We have been able to hold our regular Trustee meetings remotely, and we are also pleased to note that the Pensions Office and Legal & General staff – while largely working from home – have been able to keep the Scheme up and running on the practical side, with very little impact on service levels.

(That said, if possible we would ask you to try and find any information you need on the pension website – see page 4 – before getting in touch with a query. The team will of course prioritise anything urgent, but if the matter is more routine, please understand if it may take a little longer than usual to respond. Many thanks.)

Because of the unpredictable impact COVID-19 may have on the economy, we realise many of you will be wondering how the Scheme will be affected. Certainly, if the stock markets fall, equity investments will go down in value. However, equities are

generally expected to rise and fall sharply in the short-term, while growing well overall throughout longer periods.

We have to plan for periods when investment conditions are difficult as a matter of course. (For example, you may remember one of the more recent economic downturns, the ‘credit crunch’, which created a similar financial environment.) One of the main ways we manage this risk is in the way we balance different types of funds. This is called ‘diversification’ – by spreading the assets across a range of different fund types, regions, or managers, we spread the risk as well. Then, if one particular market performs poorly, it need only have a limited impact on the overall fund.

We build diversification into both sections – in our overall investment approach for the DB section, and into the ‘growth’ stages of the Pathway options available in the Investment Builder (see page 8).

We would like to reassure you that the current investment conditions have no effect on DB benefits. In particular, if you are already receiving a pension from the Scheme, it will continue as normal.

Board changes

Since our last issue, two new Trustees have been appointed by the University, and we would like to welcome Mr Jamie Clark and Ms Lynette Cole to the board:

This brought us temporarily back up to our full board capacity of eleven at 31 March 2020:

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
Mr Jamie Clark	Hertford College
Ms Lynette Cole	Personnel Services
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

However... would you be interested in joining the board yourself?

As we prepare this issue, Robert Langley's extended term of office will come to an end, meaning we once more have a vacancy.

The Trustee role is important – you make a real difference to your colleagues, helping them to build financial security and receive an income after work. You don't need to be a financial expert – you will receive some training (called the 'Trustee toolkit') and you will develop a broad knowledge of pension and investment issues. The main qualities you need are common sense and an enquiring mind. We are particularly keen to encourage Scheme members working at colleges to apply.

Before putting yourself forward, you should be aware of the time commitment – we meet four times a year in work hours, and have sub-committees that meet once a month. However, you are entitled to time off work to carry out your Trustee duties.

If you would like to know more about the role, please speak to any of these member-nominated Trustees: Kate Kele, Lucille Savin or Kevin Valentine.

Online support

In this section, we take a look at some of the useful resources available online to help with your financial and retirement planning – both ‘in-house’, on our pension website, and on two external websites set up recently that you may find particularly useful.

Visit our pension website at:

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

You don't need any kind of log-in details or password, making it easy for you to use it whether you are a current or former member, or pensioner, from work or at home.

On the site, you can:

- Find more information about both the DB and Investment Builder sections of OSPS (including a special section explaining pension terms).
- View copies of all our official documents – from member guides and newsletters, to the OSPS Trust Deed and Rules and formal annual reports.
- Read and print copies of all the forms you might need.



If you are in the DB section, you can:

- Read how your pension builds up over time, and how you might add to your benefits by changing your cost plan or paying AVCs.
- Find out what you need to do if you are due to leave the University, or retire.
- Check the benefits payable to any of your family if you were to die.

If you are in the Investment Builder, you can:

- Read about the membership tiers available, and the ‘matching’ contributions from your employer.
- Check the benefits payable to any of your family if you were to die.
- Use the ‘Manage your account’ facility to log into your secure area of Legal & General’s website, where you can check the value of your retirement savings, and change your investment fund choices: <https://www.legalandgeneral.com/workplace/u/university-of-oxford/>

Keep connected

It is vitally important that you let us know if any of your personal details have changed – for example, if you marry or divorce, start or end a civil partnership, or become a parent.

- Please email us (at the address on page 15) with the relevant supporting documents – for example, marriage or birth certificates as appropriate;
- If you are an Investment Builder please also click on ‘Manage your account’ to change your details directly in your area of the Legal & General website.

Please also make sure that your ‘expression of wish’ forms are up to date. These are the documents we refer to when deciding how to pay any benefits payable following your death – so please bear in mind that if your personal situation has changed recently, it may affect who you want to name on your form. You can find new forms on the website if you need to update them.

Please remember to let us know what you think of the website. At the bottom of each page, you can give ‘Yes/No’ feedback on whether you found it useful or not – and if you have any suggestions, please write to the Pensions Office using the contact function on the website (or at the details on the back page).

Retirement Living Standards

<https://www.retirementlivingstandards.org.uk/>



This website is the result of work and research carried out by the Pensions and Lifetime Savings Association, and Loughborough University. It aims to help people with their retirement planning by giving them a clearer idea of the lifestyle they might want after they stop work, and how much that might cost.

The site identifies three standards of living: Minimum, Moderate and Comfortable – and the income you are likely to need for each one. It breaks these lifestyles down into recognisable, meaningful elements: the amount of your weekly shop; the type of holiday you might want; or whether or not you want to run a car. So, while it would be easy for everyone to say they want a 'Comfortable' retirement, the site can in fact help clarify your thinking around which parts of your lifestyle are more or less important to you, and how that compares to your situation now.

In addition, if you model your retirement income on our pension website to estimate the income you might expect, the Retirement Living Standards can help you identify if you have a 'savings gap' to make up.

Get to Know Your Pension

<https://www.yourpension.gov.uk/>



The Government has set up this website to bring together some useful pension guidance in one place. There are handy tools you can use, such as the 'retirement checklist' and '10 things you need to know' features, to give you a head start in your planning.

The website also links you directly to some of the most useful resources on the main Government website ('GOV.UK'):

- the State pension forecast facility; and
- the Pension Tracing Service (which can help you track down any 'lost pension' schemes – such as a past employer you are no longer in touch with – where you may still have benefits).

Other helpful services

Money and Pensions Service (or 'MaPS')

<https://maps.org.uk/>

This is the umbrella organisation set up by the Government to bring three services together:

- The **Pensions Advisory Service**, which focuses on helping scheme members with any problems with their benefits;
- The **Money Advice Service**, which offers wider guidance with money matters, including saving and budgeting, managing debt, or finding loans and mortgages.
- **Pension Wise**, which is solely concerned with helping those approaching retirement understand their options for receiving their benefits.

While the three services still run independently (with their own websites and contact details), you can link to them all from the MaPs site, which also contains more information about their overall activities.

Financial Conduct Authority (FCA)

Financial advice is a specialist area. By law, no-one involved in running the Scheme, nor any of the organisations making up MaPs, can make a financial decision for you or tell you what you should do. If you need help of this kind, we recommend you take independent financial advice.

The FCA keeps a register of qualified financial advisers, as well as useful information on finding an adviser. Please see our 'Staying alert' section on page 11 for more details about the FCA.



Using Investment Builder

Investment Builder is for members who joined on or after 1 October 2017. This section gives you a brief summary of its key features.

Contributions

Here are the three tiers of contribution available to Investment Builder members, where your employer will pay a ‘matching’ contribution rate depending on the tier you choose. It is always a good idea to join the highest tier you can, to get the most from the employer contribution:

	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%

If anyone joining Investment Builder does not make a clear contribution choice, we start them automatically on a default contribution rate, until they choose otherwise. This used to be the 4% level (Tier 1), but now we use the 6% contribution rate, Tier 2, as the default. If you are currently on the default – that is, you have not yet made an active choice of contribution level, you can choose a new rate in the first three months of membership.

Otherwise, you can change your contribution rate each April, using the **Change of cost plan form APP6DC form** (available on the pension website). You can pay more than 8% if you want to, but these will be treated as additional voluntary contributions, or ‘AVCs’ – much like any AVCs made to the Investment Builder by DB section members – and will not be matched.

A note for members of the DB section:

Each year, you have the opportunity to change your cost plan level, and potentially build up your pension at the highest rate available. However, if you want to add further to your benefits, you can make additional voluntary contributions (or ‘AVCs’) into Investment Builder. Your employer will not match your AVCs – they are already paying the contributions needed to provide your DB pension – but please read the ‘Investing’ section opposite, as you will have the same decisions to make with your AVCs.

Investing

You invest your pension savings in Investment Builder, with the aim of growing them at a good enough rate to provide you with a decent level of benefits when you draw them in later life. There are two investment approaches available: Pathway or Self-Select.

Pathway

Pathway options invest in a 'pre-set' pattern. While you are early-to-mid career, they place your savings in 'growth' funds, aiming for high returns. These funds often carry a relatively high level of risk, and can rise and fall sharply in value. However, this risk is managed through 'diversification' – which means that your savings are in fact spread across a range of investments: including equities (company shares), property, and commodities (metals, for example, or crops).

Then, if one type of asset goes through a period of poor performance, it need not affect the rest of the overall savings. As you approach the age you plan to retire, when it is more important to protect the amount you have built up than grow it further, a Pathway option will gradually move your savings automatically into more stable investments.

Pathway can be an attractive option if you do not want to re-visit your investment decisions and make fund choices at intervals throughout your membership. We use a Pathway option as our '**default**' – that is, if you don't make a clear investment choice yourself, you are placed in this one until you instruct us otherwise. However, a Pathway option may not suit everyone, so please make sure you understand all the choices available.

Self Select

Self-Select allows you to choose your own individual funds from the range available. This will give you more flexibility and control. However, you will also need to keep a regular eye on your savings and investment returns, and take decisions about changing your fund choices as and when you see fit.

For more details about the two approaches and the funds available, please go to the Investment Guide on the pension website at: <https://www.legalandgeneral.com/workplace/u/university-of-oxford/helpful-resources/document-library-page/>

Noticeboard

Tax allowance updates

Following this year's Budget, both the HM Revenue & Customs tax allowances changed this year, as follows.

The annual allowance

This is the highest amount you can add to your benefits in any tax year, before paying a tax charge on them. In the DB section, the pension you build up for each year counts towards the annual allowance, while in the Investment Builder section, it applies to the contributions towards your savings from both you and your employer. If you are using the Investment Builder for AVCs, you will have both. (But please note: any other pension plans you may have outside OSPS also count towards the allowance – for example, if you are paying into a personal pension.)

The standard annual allowance is £40,000 (broadly the equivalent of adding £2,500 to your yearly DB pension). However, you are likely to have a different personal annual allowance.

- It might be **higher**, because you can carry forward unused annual allowance from up to three previous tax years.
- It might be **lower**, if you earn above certain levels of income – and these levels have changed this year.

However, this new threshold earnings level before the annual allowance starts to reduce is now £200,000 – so only relatively high earners are affected.

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

If you think the annual allowance may have an impact on you or you have any concerns, please contact the Pensions Office using the details on the back page.

The lifetime allowance

This is the highest total value of benefits you can build up over your working life without paying an extra tax charge on them. (Again, like the annual allowance, it applies to any benefits you are due from all schemes apart from the State pension – not just your OSPS benefits.)

Under current measures, the lifetime allowance increases each April in line with inflation – so this year it has gone up to £1,073,100. (This is broadly equivalent to retiring on a DB pension of £53,655.)

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

Staying alert

We take the opportunity every issue to remind you of the dangers of pension scams, and the uncertain times we are currently going through make it more important than ever for you to be on your guard against fraudsters.

People may be generally more susceptible to scams at the moment for a number of reasons. Some may feel they want to change their financial arrangements quickly because investment values are likely to go down. Others may have found themselves with more time than usual during lockdown and as such, have spent some of it contemplating changes and their life planning in general.

It's also worth noting that fraudsters are likely to prey on the vulnerable, including the elderly, those in ill health or self-isolating, who may not have easy access to support or expert help.

The Financial Conduct Authority (FCA) and the Pensions Regulator regularly update their information about scams, and here is a reminder of some points to watch out for.

- Be wary of any unfamiliar organisation making contact with you, especially if they ask for information by e-mail, or want you to link to another website. (Reputable firms do not request information by insecure means.) In particular, remember that it is against the law for someone to cold-call you about your pension.
- Scammers sometimes impersonate helpful services, such as the Money Advice Service or Pension Wise. Again, these bodies would not approach you directly. Look out for errors, such as false contact details or spelling mistakes (which the writer will sometimes insert deliberately to get around spam detection).



- Perhaps one of the most crucial points, given the current situation, is to resist giving into pressure. Scammers may try to rush you into a quick decision, over-hype the offer ('once in a lifetime', 'too good to be true'), or simply try to mislead you outright. (For example, you cannot draw pension benefits before age 55 – so any offer to help 'release' your pension early is suspect, and likely to result in large 'commission' fees for the provider and major tax penalties, potentially leaving you with next to no pension savings.)

Whether or not an offer you receive seems above board, you should always check up on the sender. You can do this online through the FCA:

- Any properly authorised provider or adviser should be on the FCA's Register – if not, you have no guarantee they are legitimate. <https://register.fca.org.uk>
- The FCA also have a 'warning list' of known scams / providers to avoid. You can reach this through their 'ScamSmart' website, which also includes a wide range of helpful guidance for spotting scams: <https://www.fca.org.uk/scamsmart>

Finally, remember that if you think you might have been the victim of a scam, you should report it as soon as possible to Action Fraud on 0300 123 2040, and the FCA on 0800 111 6768 (or through their online form).

If the scam involves transferring out your pension benefits, call the Pensions Office (if you are a current employee) or your pension provider (if you are a past member) – it may not be too late to stop the transfer.



Other types of scam

It is important to bear in mind that not every scammer will explicitly target your pension or savings through a financial offer. The Money Advice Service has a page on its website that sets out a range of different kinds of scam you should be on the lookout for. Here are a few that they highlight:

- **'Advance-fee fraud'**: This is a common one that many of you may recognise. It is normally an e-mail, apparently from someone in trouble overseas, who wants to use your bank account details to transfer money across – but in reality, of course, they will take your money out.
- **'Computer software fraud'**: Some scammers target people who may not be that comfortable with technology – they call to say something on your computer needs to be fixed and ask for payment details. It would be extremely unusual for any computer company to actually do this.
- **'Health scams'**: Resist the temptation to respond to any advert or mailing promising alternative cures or treatments. You may end up paying for a medicine that either never arrives, or is a fake concoction that could make you ill.
- **'Vishing'**: This is when scammers phone you either pretending to be your bank or building society, or a firm or organisation encouraging you to check something with your bank. In theory, you can just hang up. But if you go ahead with making the follow-up call (even if it is just to check whether the first one was genuine), be aware that the scammers may keep the line open, carry out the pretence for a second time and collect your personal information or details then.

Please visit the Money Advice Service website for more examples of scams – and how to avoid them:

<https://www.moneyadvice.service.org.uk/en/articles/types-of-scam>

Scheme facts and figures

This page shows headline figures from the OSPS report and accounts for the year that ended on 31 March 2020.

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 2019 and 31 March 2020, the value of the Scheme decreased by

£3.5 million

£19.5 million

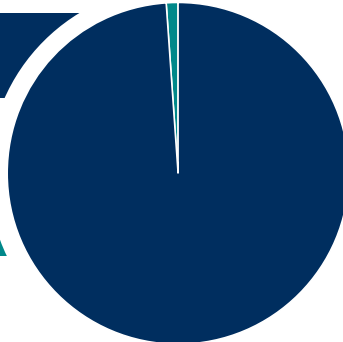
mainly due to the fall in the value of the Scheme's investments

DB section

£729.7 million

Investment Builder section

£7.7 million



On 31 March 2020 the Scheme's total value was

£737.4 million



Between 1 April 2019 and 31 March 2020 the Scheme paid this amount in pensions and benefits

£21.9 million

At 31 March 2020 the Scheme had

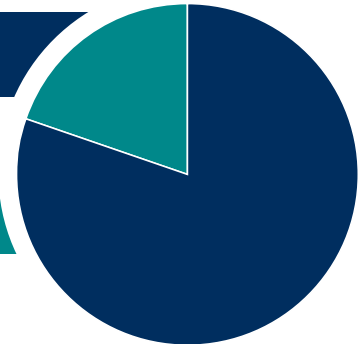
17,850 members

DB section

14,375

Investment Builder section

3,475



Making contact

Here are the details for the Pension Office. Please contact them if you have any urgent queries about your benefits, or if you cannot find the information you are looking for on the pension website.

As the current situation continues, please send any queries by e-mail if at all possible. Thank you.

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

Telephone: **01865 616020**

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

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