This document aims to provide further information on how your savings in the University of Oxford Staff Pension Scheme ('the Scheme') are protected.

In occupational pension schemes, such as the Scheme, the assets are held in the name of the Trustee. The Trustee has a duty to manage the investments in line with the Scheme's governing trust deed and rules, pensions law and guidance issued by regulatory bodies.

The Pensions Regulator oversees the running of occupational pension schemes and can intervene in cases where the Trustee, employer or advisers have failed in their duties.

The Trustee decides who is allowed to put money into and take money out of the Scheme. It keeps a record of the contributions paid for each member and how each members’ savings are invested.

The Trustee holds a life insurance policy with the life company Legal & General Assurance Society Limited ('LGAS') and all assets of the Defined Contribution Section of the Scheme are invested in this policy. LGAS assets are 'ring fenced' which means the funds are held separately from Legal & General's other assets.

LGAS is authorised and regulated by the Prudential Regulation Authority which requires it to hold enough capital with the aim of ensuring it remains solvent. LGAS is also regulated by the Financial Conduct Authority and is required to comply with the regulations in place and enforced by the Financial Conduct Authority.

In the unlikely event that LGAS becomes insolvent, policyholders (the Trustee) have protection under the law setting out priorities for which claimants get paid first and under the Financial Services Compensation Scheme ('FSCS') – please see below for more details.

In the event a fund manager becomes insolvent, compensation from FSCS would not be available but LGAS (as the investor) would have a contractual claim against the fund manager and LGAS backs this claim up by having a charge over the assets held by the fund manager. The Trustee would in turn seek to recover any loss from LGAS.

**Financial Services Compensation Scheme**

The Financial Services Compensation Scheme ('FSCS') is the UK’s statutory compensation scheme for customers of authorised financial services firms. It is funded by a levy on financial services firms and loans from HM Treasury.

In the event Legal & General became insolvent, the FSCS would firstly endeavour to secure continuity of provision or to safeguard the rights of policyholders by having another suitable company take over. If this is not possible, the rules of the FSCS state that for any life insurance policies, the maximum compensation paid would be 100% unrecoverable losses with no monetary limit.

January 2019