

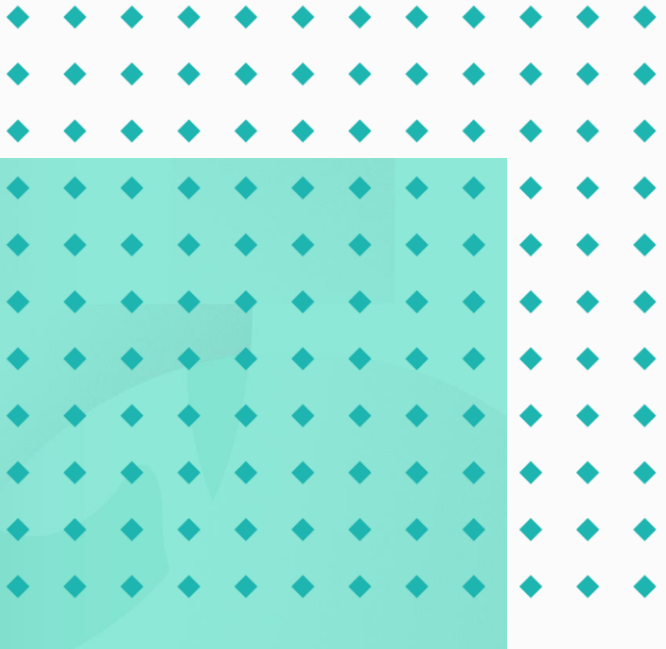


Cambridge University Assistants' Contributory Pension Scheme (CPS) Members' Meeting

(Post 2013 members)

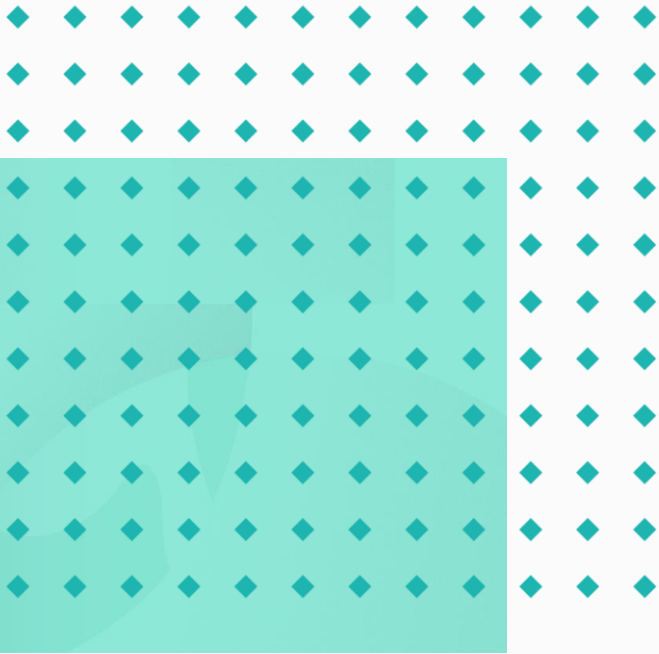
6 March 2024

Agenda



Chairman's Introductory Remarks	Simon Grover, Meeting Chair
Pensions Basics <ul style="list-style-type: none">• How pensions work• How the CPS works Death Benefits Increasing your pension benefits	Sue Curryer, Head of Group Pensions Toby Cross, SEI
Investment Matters	Ian Icton, Chair CUPTL Toby Cross, SEI
Q&A	

Pensions Basics



- What is a pension?
- Do I really need a pension?
- What's the difference between defined benefit and defined contribution pensions?
- The importance of your pension throughout life

What is a pension?

A pension is designed to give you an income when you finish work.

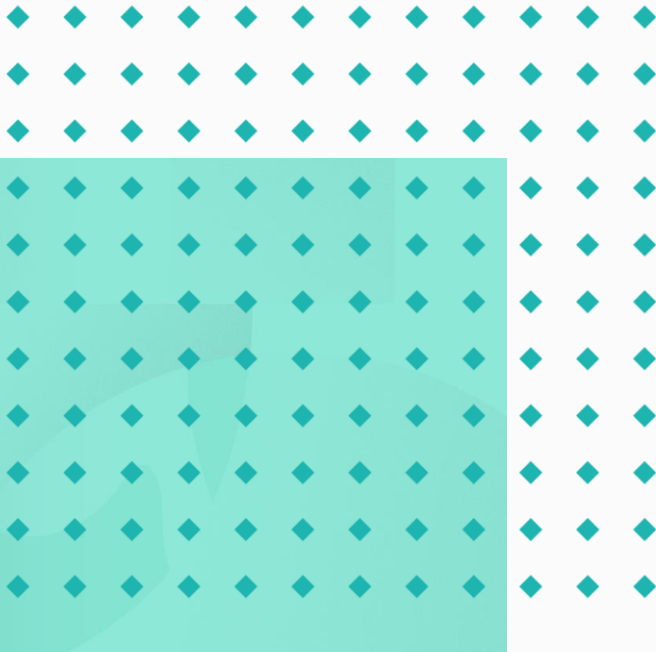
In simple terms, it is a way of saving for the future.

Do I really need a pension?

Reasons people do not think pensions are important.

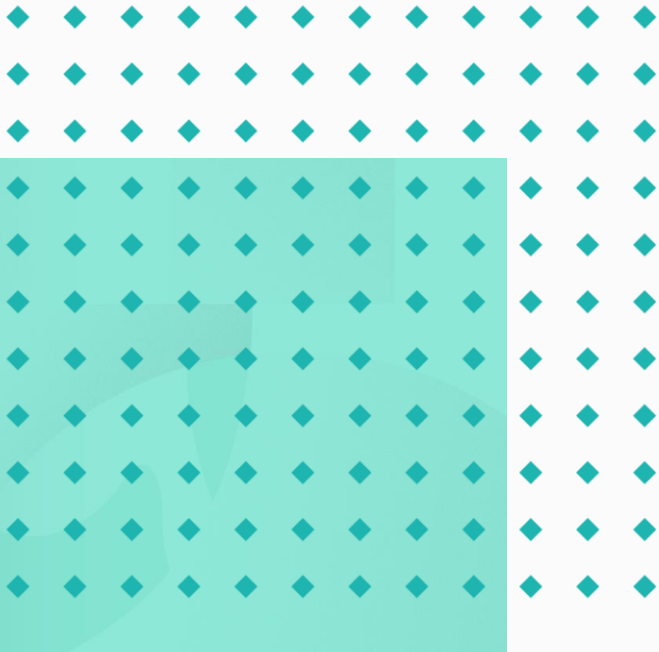
- I am too young to think about it.
- Pensions are too expensive.
- Pensions are boring and difficult to understand.
- I can't access my money until I'm older.
- My pension will not give me enough to live on anyway.
- I would be better off investing in property or saving into an ISA.

So what's so good about my University pension?



- It will provide an income for the rest of your life when you stop working
- Your DB pension will be based on your earnings and comes with guarantees
- Your DC pension gives you flexibility about how you take your benefits at retirement
- You don't pay tax and in most cases National Insurance on your pension contributions
- The University pays much more towards your pension than you

So what's so good about my University pension?



- You could receive an ill-health pension before retirement should you need to stop work due to illness or injury
- It provides death benefits, including a possible lump sum and pension for your spouse / civil partner / partner
- Your pension is protected from the effects of inflation
- The University offers you a defined benefit (DB) pension which is still open to new entrants as well as a DC pension running alongside.

What is the difference between defined benefit and defined contribution pensions?

Defined benefit (DB) pensions are based on your earnings. This means a percentage of your earnings goes towards your pension each month. These monthly amounts are added together to give your pension. This type of pension gives you a guarantee as once your pension is earned, it cannot be taken away and your pension will continue to build while you are working and a member of the scheme. Your CPS benefits in the Cambridge University Assistants' Contributory Pension Scheme (CUACPS) are DB benefits.

Defined contribution (DC) pensions work like a savings account. contributions are paid each month, into your own account or pension pot and your pension is based on the value of your pot when you retire. Your pot will also be invested in funds which means the value of your pot will also depend on how the funds perform. This means there is no guarantee on the pension you will receive at retirement. Your benefits in the Cambridge University Assistants' Defined Contribution Pension Scheme (CUADCPS) are DC benefits. You can pay Additional Voluntary Contributions (AVCs) to increase your benefits.

Pension Basics

Defined Benefit (DB)	Defined Contribution (DC)
Looked after by CUPTL and Pensions Office	Looked after by SEI
You & your employer pay in and your employer guarantees the benefits	Your employer pay a contribution of 5% of your pay. You do not have to contribute but you can pay Additional Contributions (AVCs) to this to boost your benefits.
The trustee invests the money on your behalf (more about this later)	If you want to you can select the fund(s) your money is invested in. The value of your investment can go up and down
Your benefits are based on your salary and length of service – you know what you will get at the end	Your benefits will depend on how much is paid in and how well the investments do
You get a one off lump sum and a pension for life when you retire	You can choose when you take your pension pot and how you use this
When you die there will be benefits paid to your family	You can elect to use your pot to 'buy' benefits for your family

How your DB pension works while you are contributing to the scheme

Career Revalued Benefits (CRB)

- Earn a 'block' of pension for each year (or part year) of membership.
- Plus a lump sum of 3 times the annual pension
- Benefits 'banked' each year and revalued in line with CPI (maximum 5% per annum)
- At retirement revalued 'blocks' added together to give total CRB pension
- Pension earned each year is $1/150^{\text{th}}$ of earnings in the year

How do I know what my pension will be?

Annual Member Statement

- Issued in November 2023
- Benefits earned as at 31 July 2023
- Death benefits if you had died on 31 July 2023

Can I get an estimate of what my benefits will be at retirement?

- On request
- Maximum of 2 per year (active members)
- Contact pensionsonline@admin.cam.ac.uk

When can I retire?

Flexible Retirement

- From age 55, but if before age 65 benefits reduced for early payment
- Do not have to reduce your hours but can if you wish
- Take full pension and no longer able to contribute to the scheme
- Revised contract will be issued by HR

Normal Retirement

- From age 55, but is before age 65 benefits reduced for early payment
- Do not have to take your DB and DC benefits at same time
- Ideally 3 months notice



How your DB pension works – when you have retired

- Increased in line with the Consumer Prices Index (CPI) to a maximum of 5% per annum
- University can agree higher increase if CPI exceeds 5% (must consider)
- Uses CPI for 12 months to May
- Paid wef 1 August
- First increase will be proportional if retired for less than 12 months



Increasing your pension

- If you are still paying into the scheme you can increase your pension benefits by paying more into the pension scheme
- These additional contributions are called AVCs
- AVCs can only be paid to the defined contribution section of the University pension scheme
- What you get at retirement will depend on
 - How much you pay in
 - How well the fund(s) you are invested in perform



Increasing your pension

- There are factsheets about AVCs at [CPS - Hybrid Section - For Members Joining 01/01/2013 or Later | Pensions \(cam.ac.uk\)](#)
- The application form can be found at [CPS | Pensions \(cam.ac.uk\)](#)
- If you have any queries you can ask the University Pensions Office at pensionsonline@admin.cam.ac.uk or the administrator of the SEI arrangement, Capita, at Memberenquiries@seimastertrust.co.uk
- You do not have to use the University scheme to pay additional contributions

Increasing your pension – AVC into the SEI MASTER TRUST

AVC's

- You can pay more into your pension by completing form available through [your online account](#)
- Return to the administration team
- Make arrangement to pay funds directly into your pension, using the bank details shown on the form

The screenshot displays the SEI MASTER TRUST online account interface. The main dashboard includes several menu items: My Details, Expression of Wish, My Contributions, Budget Planner, Retirement Options, Investments Summary, FAQs, General Information, and Scheme Communications. The 'Scheme Communications' menu item is highlighted with a red box. An inset shows the 'Member Additional Voluntary Contribution Form' with sections for Personal Details and Member Authorisation and Declaration.

Death benefits

Death in service

- Tax free lump sum (5x salary)
- Automatic pension to spouse/civil partner
- Automatic pension to qualifying children
- If not married/Registered Civil Partnership may be dependent pension if financial interdependency

Death in deferment

- Automatic pension to spouse/civil partner
- Automatic pension to qualifying children
- If not married/Registered Civil Partnership may be dependent pension if financial interdependency

Death after retirement

- Tax free lump sum of balance of 5 years pension if die within 5 years of retirement
- Funeral grant - £2500 gross but in certain circumstance tax charge due net payment is £1500 (if joined before 1 January 2023)
- Automatic pension to spouse/civil partner
- Automatic pension to qualifying children
- If not married/Registered Civil Partnership may be dependent pension if financial interdependency

Death benefits

Lump sum

- Paid at discretion of trustee to one or more beneficiaries
- Falls outside of your Estate
- Can nominate beneficiaries via Expression of Wish form
[CPS | Pensions \(cam.ac.uk\)](#)

Pension

- Automatically payable to spouse/civil partner
- Automatically payable to eligible children
- Trustee has discretion to pay to adult dependent if financially interdependent
- Can nominate dependent - [CPS | Pensions \(cam.ac.uk\)](#)

Death benefits – SEI MASTER TRUST

Lump sum

- Paid at discretion of trustee to one or more beneficiaries
- Falls outside of your Estate

Key information for members

- You need to tell SEI who you would like your benefits to be paid to
- Can nominate beneficiaries via Expression of Wish form [via your online account](#)

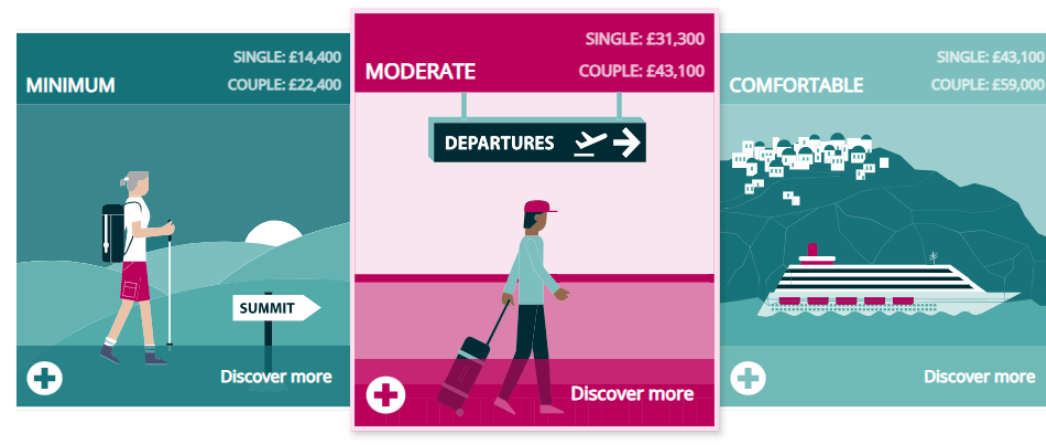
The screenshot shows the SEI MASTER TRUST online account dashboard. The top navigation bar includes a 'Menu' icon, the SEI MASTER TRUST logo, 'AAA' text, and a 'Log Off' button. The main content area is divided into several sections:

- My Details:** Includes links for 'Benefit Summary', 'Personal Details', and 'My Mailbox'.
- Expression of Wish:** This section is highlighted with a red box and contains a link for 'Expression of Wishes' and an icon of three people.
- My Contributions:** Shows a contribution amount of '£270.69' and includes links for 'My Contributions' and 'Transaction History'.
- Budget Planner:** Includes a link for 'Budget Planner' and an icon of a person with a laptop.
- Investments Summary:** Shows a current value of '£103,527.58' and includes links for 'My Investments', 'My Chosen Investments', 'My Investment Options', and 'Change Investments'.
- FAQs:** Includes a link for 'FAQs' and a question mark icon.
- Retirement Options:** Includes a link for 'Pension Planner & Drawdown Modeller' and an icon of a person with a laptop.

Retirement Living Standards

What are they and who is involved?

- Loughborough University research
- Pensions and Lifetime Savings Association - voice of workplace pension and saving UK
- Designed to help picture what life in retirement looks like at three different levels
- To help saver think about lifestyle in retirement

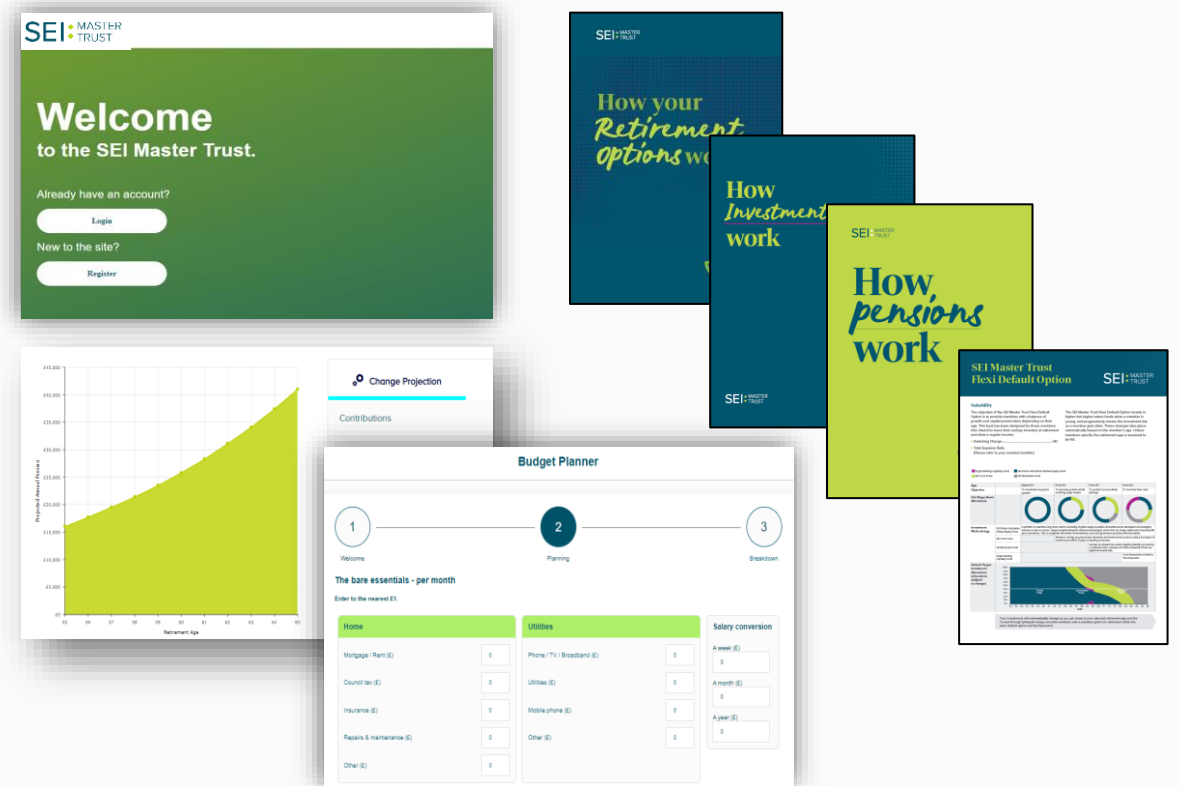


[Home - PLSA - Retirement Living Standards](#)

Managing your online account -

What is available to me through my online account?

My details	Shows your personal information and provides access to your online mailbox
Investments Summary	Shows how you are currently invested, review investment performance and change investments should you choose to
Expression of Wish	Enables you to select your beneficiary
Budget Planner	Helps show the level of pension you will need in retirement based on current spending
FAQs	Useful information to help you with your pension
General Information	Contact information for the administration team to help
My contributions	All contributions paid into your pension account
Retirement Options	Access to Pensions Planner and Drawdown Modelling tools
Scheme Communications	Access useful guides, booklets and forms



Investment matters - CUACPS

Investments are the responsibility of the trustee and individual members cannot decide how the money is invested

Trustee has an investments sub-committee which includes external members who are investment professionals

Trustee has an investment consultant to advise the trustee and the investments sub-committee

Investment matters - CUACPS

Trustee invests in wide range of asset classes including:

Equities

Investments in a company

Bonds

Loans to companies and governments which are paid back with interest

Property

Funds which own commercial properties such as offices, warehouses and factories

Alternatives

Assets which do not fit into the other categories such as commodities or private equity

The investments are in pooled funds run by the investment manager rather than direct investments



Investment matters - CUACPS

Responsible Investment

- Trustee has a responsible investment policy included in the [Statement of Investment Principles \(SIP\)](#).
- Investment Managers required to report each year that they are complying with the requirements in the SIP and trustee reports on this in its [annual report](#).
- Trustee believes that good governance by companies will result in long term sustainable returns for the scheme and encourages investment managers to engage with the companies they invest in
- Trustee is working to develop a long term policy on responsible investment and has set up a working group



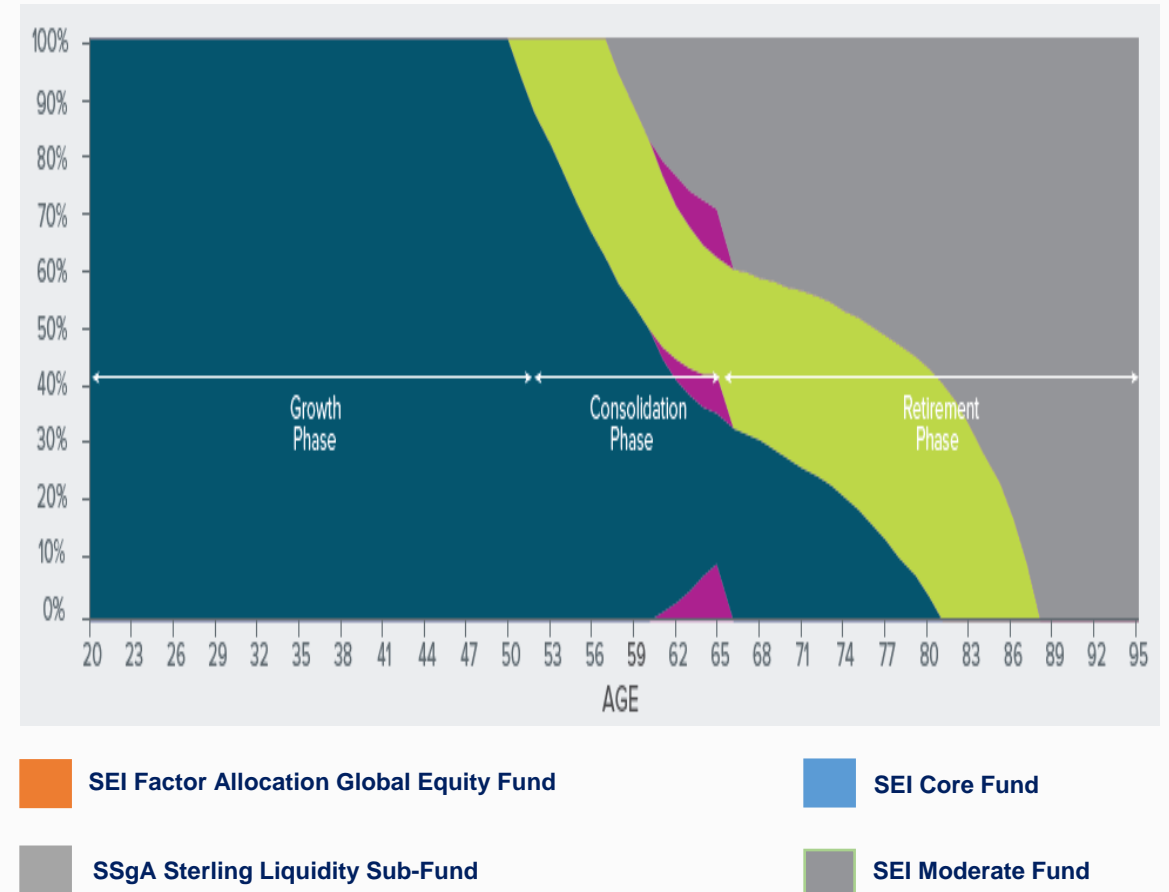
Funding - CUACPS

- Three yearly valuation of CUACPS as at 31 July 2021 showed small surplus of assets over liabilities
- As a result deficit recovery contributions of £14.6 million per year ceased on 31 July 2023
- Future service cost increased – employer contributions increase from 1 August 2023
- Undertaking from employer to make one off payment of £10 million if scheme is less than 95% funded at 31 March (annual review)
- Funding position since valuation date has been volatile
- Next full valuation due as at 31 July 2024

Overview of Investment - SEI MASTER TRUST

Default Investment Option - "Do it for me"

- SEI Master Trust Flexi Default Option – 0.30% per annum
- Automatically switches to reduce risk as you get closer to retirement
- Invests in growth based investments until closer to retirement
- Reduces risk by investing in funds designed to protect against market losses
- Reviewed by the SEI Master Trust Trustees annually to ensure performance and strategy aligns with membership



Overview of investment -

Asset Allocation Investment Options –

“Help you choose”

SEI Defensive Fund

SEI Moderate Fund

SEI Core Fund

SEI Growth Fund

SEI Aggressive Fund

Asset Class Funds by investment managers –

“I want to choose”

SEI

Columbia Threadneedle

HSBC

State Street

SEI Trustees, similar to Trustees of CUACPS must update their [Investment Policy \(Statement of Investment Principles\)](#) annually which includes how ESG factors are taken into consideration.

Overview of Investment - SEI MASTER TRUST

Considerations when making investment decisions

- Is the current default Target Retirement Age (65) applicable to you?
- When do you wish to retire?
- What is my attitude to risk?
- Am I comfortable making individual investment choices?

The collage consists of three main elements:

- Left Panel:** A vertical blue banner with the text "How Investments work" in white and yellow.
- Center Panel:** A document titled "SEI Master Trust Flexi Default Option". It includes:
 - Sustainability:** A section explaining the fund's commitment to environmental, social, and governance (ESG) factors.
 - Age:** A section detailing how the target retirement age is determined based on individual circumstances.
 - Investment methodology:** A section describing the fund's investment strategy and asset allocation.
 - Default target retirement age:** A section stating the current default target retirement age and how it can be adjusted.
- Right Panel:** A screenshot of the "Investments Summary" web interface. It features:
 - A line chart showing the performance of the "SEI Focus Migration 01" fund over time.
 - A "Fund compare" section with a list of various investment options, each with a radio button for selection.



Useful contact information

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Email	pensionsonline@admin.cam.ac.uk	Memberenquiries@seimastertrust.co.uk
Phone	01223 332214	0800 011 3540
Address	Greenwich House, Madingley Road, Cambridge, CB3 0TX	SEI Trustees Limited, c/o Capita Pension Solutions, PO Box 555, Stead House, Darlington, DL1 9YT
Website:	Pensions (cam.ac.uk)	www.hartlinkonline.co.uk/sei