

Introduction to LifeSight Webinar FAQs

Questions relating to the 'freeze' period:

1. How much have the savings/contributions been impacted by the market shifts?
2. Have our original pension funds been out of the market and un-managed for the period of the transition and how has this impacted the pension funds?
3. What is happening with our existing AXA pension 'pots' whilst the transfer to LifeSight is undertaken? Are they still actively being managed by the existing provider (e.g. growing/shrinking in line with the market)?
4. What is happening with our existing AXA pension 'pots' whilst the transfer to LifeSight is undertaken? Are they still actively being managed by the existing provider (e.g. growing/shrinking in line with the market)?

Answer:

Your funds have been invested throughout the transition period, there has been no period when the funds have not been managed or been 'out of market'. Therefore, your pension pot has moved up or down according to the stock market movements. A transition manager has been used to mitigate transaction costs for this project, however we can confirm that there will be no transition costs to members as these will be met by LifeSight.

Full details of your pension pot (including the details previously held in the AXA UK Group pension Scheme) will be visible on LifeSight from 15th December 2020.

5. The markets have increased significantly since the transition started. Why is the value I have in LifeSight is a lot lower than it was in Aegon?
6. I can see an entry on LifeSight of a transfer in 2nd week in October under closed fund, does this mean the transfer is currently out of the market until it's allocated to the LifeSight funds. If so, is there any accounting for price movements whilst out of the market during the period of transfer?
7. Bulk transfer is now shown as a "Closed Fund" How is this being valued and how has this been invested over the last month?
8. The balance transferred to LifeSight is the balance on the day it transferred is this correct?

Answer:

On the LifeSight platform, the new contributions from 1 October will appear as 'invested'. The pot values you can see at present on LifeSight, are not the current values of your AXA funds, they are the values as at a certain date.

Once the transition has been completed around 15 December you will be able to view all your AXA pension details and see what you have.

9. My employer contribution rate is showing as 'none set' at the moment. When will that be updated?

Answer:

This is currently being updated by LifeSight. Correct details are expected to be live when the freeze period ends in mid-December 2020.

10. Will we get a closing statement from the old provider so that we can check the correct amount was moved to the new account?

Answer:

Closing statements will be provided by Aegon confirming what your funds were worth when they left Aegon. These will be made available on your LifeSight account when the transition has completed in mid-December 2020.

Questions relating to the 'self-select' options:

11. The number of investment options (in terms of the self-select funds/providers) still seems quite limited given the increased size/scale of LifeSight and compared to a self-select SIPP etc. - is there any consideration to broaden these options?
12. Why is there such a small list of funds open to us?
13. There seem to be very few self-select funds available for us to select. Can you comment because there seem to be some significant sectors omitted from the choices?
14. We used to be able to choose the types of companies our funds were invested in (environmentally friendly ones, or high/low risk). Can We still do this?

Answer:

The number of self-select funds available is a decision for the LifeSight Trustees. It is expected that there will be some additional funds available next year.

Fund factsheets are provided for each fund detailing where the funds are invested. If you wish to invest in a fund or asset class not available through LifeSight, this can be achieved via a partial transfer to another approved pension arrangement.

Questions relating to the 'default' options:

15. Is Lifecycle the default investment choice?
16. Why have you chosen Drawdown as the default lifecycle plan instead of annuity?

Answer:

The Drawdown Lifecycle is the default investment choice for new contributions, but this can be changed once the transition has been completed in mid-December.

Any funds you had invested with Aegon are being mapped across to equivalent funds in LifeSight.

The Drawdown Lifecycle has been chosen as the default because many members now choose to take income drawdown at retirement rather than an Annuity. Members are generally choosing Income Drawdown as this provides more flexibility and over recent years annuities have offered poor value for money. However, for those members who prefer the security of annuity there is Annuity Lifecycle option available.

Questions relating to accessing your LifeSight account:

17. How to access my LifeSight account? Where can we find out login details to login?

18. When will we receive details of how to access the site.?

19. If we leave AXA will we still have access to the website?

Answer:

You will have received your LifeSight log in details by email or post, if you are still unable to login or have mislaid your details please contact LifeSight as follows:

Email: lifesightsupport@willistowerswatson.com

Telephone: 01737 230 473

20. When will the LifeSight App be available?

Answer:

The LifeSight App is currently being developed and is due to be released to members in January 2021.

Questions relating to pension transfers:

21. I have pension contribution scattered in different funds managed by different providers. Is it advisable to reunite them all into one? Also, I have contributions paid in a foreign country. Is Pension Wise the right helpline to call for advice on how to reunite contributions paid over the years in different countries?

22. What would be the fees/restrictions if you prefer to transfer savings either out to / or in from a different pension's provider?

23. Is it beneficial to transfer pensions from previous employers?

24. I've just completed a Transfer Enquiry form; how long will the process likely take to get previous pensions into LifeSight?

25. If transferring in other non-AXA pensions do, I have any input into the funds they transfer into, as I believe you try to match the fund types. For example, a previous pension had a default investment in property. If I transfer that money into LifeSight, can I put that money into an equity fund, and not property?

Answer:

It is possible to investigate a transfer of benefits into the Scheme once the transition has completed in mid-December.

There are no charges imposed by LifeSight to transfer benefits in.

We are not able to offer advice as to whether it is beneficial to transfer in pensions from previous employers, however there are some things that you should consider before going ahead. If it is a final salary arrangement you will need to obtain financial advice before proceeding. If it is a Personal Pension or a Defined Contribution (DC) arrangement similar to LifeSight then you should review the choice of funds available and compare the Annual Management charges (AMC). For some older policies you need to check if there are any exit penalties or guaranteed annuity rates you are giving up by transferring.

26. Can the pension be removed from this platform and placed somewhere else?

Answer:

You can choose to opt out of the scheme completely and transfer the whole benefit to another pension arrangement, but employer contributions will stop and your life cover will be impacted. Alternatively, you can choose to do a partial transfer and remain a member of the scheme.

27. What's the best way of finding out whether I have any pensions from previous employers?

Answer:

If you do not know where your pensions are you can use the pension tracing service.

<https://www.gov.uk/find-pension-contact-details>

28. Is LifeSight duty-bound to answer questions by an IFA?

Answer:

Yes, as long as the IFA has been given authority by you to ask the questions.

29. I am leaving AXA are my current DC funds transferred into the LifeSight scheme and is there anything else that I need to do?

Answer:

Your funds being transferred from the AXA UK Group Pension Scheme will show in your LifeSight account from mid-December, there is no further action you need to take.

30. What are your fees?

31. What's the difference in Admin fees between LifeSight and the previous arrangement? I heard that Master Trusts charged more, and the fees were passed onto us?

Answer:

The actual fees you will be paying with LifeSight are built into the Annual Management Charge (AMC), which will depend upon the fund(s) you choose to invest within.

The majority of the LifeSight funds have a lower or equal fee compared to Aegon. These details were provided in the September communication from the Trustees of the AXA UK Group Pension Scheme. There are no additional costs to members.

32. You mentioned that Hub will provide one-off financial advice (ideally within 12 months of retirement) but for those going into income drawdown it's likely that ongoing financial advice would be required. What scope is there for that to be offered by LifeSight/Hub at no cost to members or would members need to fund that themselves - could be an important cost consideration for those considering this option?

Answer:

The offering that has been agreed by AXA and LifeSight is to ensure all members receive some financial advice immediately prior to retirement, which is the most important time as members will be choosing how to use the pension benefits, they built up.

There will be some ongoing support offered through the LifeSight tool. However, for those members who wish to have further financial support this will need to be done via an Independent Financial Advisor.

33. Are there plans to make it possible to get a combined view of DC savings and DB forecast for those that have it to get full view of your AXA pension for modelling?

Answer:

We are not able to provide a combined DB & DC view as they are under two separate trusts. However, in the LifeSight Ageometer it is possible to add details of other DC and DB arrangements, therefore you would be able to request a quote from Capita and then insert the relevant details on Ageometer to have a holistic view.

34. If retirement age was not set to 65 on old pension scheme, has it still set to 65 on LifeSight?

Answer:

The default retirement age is set at 65. If you had chosen a different age with Aegon this will be mapped across to LifeSight as part of transition. You will then have the ability to alter your Target Retirement Age by logging onto LifeSight.

35. Can I nominate as my beneficiary the beneficiary of my will? there are several beneficiaries of my will?

Answer:

Yes, you will need to complete an expression of wish form and we recommend you specifically name the beneficiaries rather than refer to your will.

36. How will the chancellor of the Exchequer's announcement on 25 November 2020 affect the performance of this scheme, if at all?

Answer:

This announcement was in relation to pension increases, and so does not apply to DC schemes.

37. As the tools (like the savings calculator and age calculator) aren't available until January, how do we make a decision on changing our contributions when the benefit change window for our contributions closes on 10th December? Is there anything else available in the interim?

Answer:

Contributions can be changed in the monthly benefit change window not just the annual window. So, you will still be able to make changes to your contributions once all the LifeSight tools are available.

38. It's not a good time to cash-in investments with volatility in the market. If planning to retire in the next two years, is it worth putting the retirement age to later to stop the fund movements where investment reductions are materialised?

Answer:

We are not qualified to provide financial advice, so you may wish to speak to a financial advisor. However, it is sensible to consider whether it is in your best interest to retire at this time. Using tools such as Ageometer will help you to understand whether your current pension provision will provide the retirement income you are seeking or whether it may be more beneficial to defer retirement.

39. For those age 50+ is there a risk in reducing retirement age on the system e.g. will it cause a sudden big sale and repurchase of shares with the risk of bad 'on the day' share price?

40. If I have retirement age set at 58 currently, but change to 65 in LifeSight, will it immediately swap my investment portfolio?

Answer:

If you are in a lifecycle strategy and choose an early retirement date, this will move you to less risky investments as you will have less years to your chosen retirement date. If you do change your retirement age, there will be a trade required to place you in the new position. The Lifecycle transitions from Equities to less volatile investments over a 15-year period which should help to avoid the "Big Sale". Please see the September Trustee

communication or refer to our pension website (<https://pensions.axa-employeebenefits.co.uk/>) for more details.

41. Who selects the directors/trustees of the LifeSight scheme?

Answer:

The LifeSight Trustee select and appoint trustee directors

42. Does the income draw-down option in retirement have a low risk option? So, can we split our investment in retirement between fixed income and growth so we can take a regular income from one and let the other grow undisturbed for a little longer?

Answer:

All the current free choice funds will be available under Income Drawdown but the Lifecycles are replaced with a low, medium and high risk strategies, with pre-programmed investment split options. You will be able to make active investment decisions and split your pension pot accordingly.

43. How are ESG and climate metrics considered and monitored in the investment options?

Answer:

It is a legal requirement for LifeSight Trustees to consider. LifeSight offer two funds with ESG built into them (LifeSight Equity Fund and LifeSight Global Equity Smart Beater ESG Fund). LifeSight Equity Fund is included in the default Lifecycle, it focuses on three areas 1) an exclusion policy for certain companies, 2) stewardship governance process to vote against certain policies at AGMs, 3) rank of companies on ESG scores. LifeSight believe will give a better long-term outcome.