

Introduction to the LifeSight Pension Tools Webinar FAQs

Questions relating to tax relief on pensions:

1. When I retire - would I only have to pay tax if my income - from pensions and state pension was over a certain amount?
2. Is the purchase of an annuity taxed?

Answer:

All UK residents have a personal tax allowance. Any income below this allowance is not taxed while any income above this allowance is taxed at your relevant tax rate. An annuity is taxed as income in this way.

3. Are all AXA employees who have joined LifeSight paying through Pay Smart? If not, how do we change this?
4. How does this work for part timers, not paying tax?

Answer:

Your contributions are automatically made by an arrangement called Pay Smart, which is a salary sacrifice arrangement. By making your pension contributions through Pay Smart you also benefit from National Insurance savings, as well as Income Tax savings. If you have opted out of Pay Smart and wish to opt back in, please complete the relevant form from the Pensions Website.

Depending upon your level of income, then there may be no tax or national insurance relief.

5. What about the risk of exceeding the Lifetime Allowance Limit?
6. If contributions to a pension say in the last tax year was over £40k, I know tax is due on the excess, but what would that mean for the current year?

Answer:

The Lifetime Allowance Limit is the maximum amount of pension savings that you can build up during your lifetime without having to pay a tax charge when taking the benefits. The Lifetime Allowance is currently set at £1,073,100 for the 2020/21 and 2021/2022 tax years. If your overall pension savings (excluding the State Pension) are above this amount when you take the benefits you will pay a tax charge on the excess.

The Annual Allowance is the maximum amount of money both you and AXA can pay into your pension each tax year. This includes any contributions you make to other pension

schemes (i.e. if you have a personal pension plan). If you go above the annual allowance you will have to pay a tax charge on the excess. For the current tax year, the annual allowance is £40,000 for most people. You can carry forward unused annual allowance from the previous three tax years.

If you believe you might be affected by the Lifetime or Annual Allowance Limits please contact the Pensions Team at pensions.uk@axa.co.uk

Questions relating to the LifeSight Tools (ageOmeter, Spending Planner etc) and accessing your LifeSight account:

7. I just tried to use the LifeSight tools on the site and I just received an error?
8. I've just tried to access the ageOmeter and it says "page can't be found"....

Answer:

We are aware that some staff have experienced issues when accessing their LifeSight account. These issues should now be resolved however, if you are experiencing issues please:

- **Make sure you're using an up to date web browser such as Edge or Chrome**
- **Clear your browser history and delete any cached files (on your Edge browser select the 3 dots icon on top right corner then > Settings > Privacy, search & services)**
- **Then try it again.**

If the issue persists please email a screenshot, preferably with a time stamp to pensions.uk@axa.co.uk so we can investigate further.

9. I have not logged onto the pension site for a long time, and I have forgotten all my log in details, where can I get these from again?

Answer:

When logged onto the AXA servers you can access your LifeSight account through single sign on. You should also have received an email with your log in details, if you no longer have this please contact LifeSight at lifesightsupport@willistowerswatson.com who will resend you your details.

10. Will the LifeSight app be updated so some of the tools available on the website will be accessible on the app?
11. There are several LifeSight apps which one do I download?

Answer:

The ageOmeter is not yet available on the LifeSight app. Please make sure you download the 'LifeSight GB' app.

12. Do the tools allow you to add in information from your other historical workplace and state pensions?

Answer:

Yes. The tools do include state pensions and you can add in any type of other pension you may have; for example a DB (final salary) pension where it is a regular income for life, or other DC pots along with the ages you can take them from.

13. Do the tools take into account any contributions you are already making to the funds and how long does it take for the tools to update after contribution changes have been made?

Answer:

Yes, the tools are based on your individual account, so will reflect the fund that you are already investing in and the contribution rates you are due to receive whilst employed by AXA. Any changes you make to your contributions will appear in the month after the new rate has been deducted.

14. On the ageOmeter under the standard of living target page it enables you to show as a couple – and if this is the case should I show on the first My Savings page the total for us as a couple – e.g. total savings, pension and total property equity?

Answer:

This is entirely your choice you can select either single income or joint income. If you use the couple option, you can add in any other savings you might have between you. However, the modeller only takes into account your personal tax code.

15. In the retirement planner please could you look to include functionality which would allow me to reduce the pension amount required with age. I expect to spend less the older I get but the planner won't allow me to plan this.

Answer:

This is not something that can currently be done. This feedback has been noted and will be looked at by LifeSight.

The different tools will give you an idea of the money you might need in retirement, they also project how much you will have in retirement.

Questions relating to accessing your LifeSight account:

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

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

18. 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

Questions relating to LifeSight Charges:

19. I've noticed that a monthly charge is being made each month. What is that based on, is this paid by AXA or by members?
20. Is the monthly charge a new thing or were we being charged in our old pension scheme (i.e. Aegon?)
21. Why am I paying a Monthly Member Fee?
22. Will the charge continue once the pension is taken?

Answer:

As a member of LifeSight, you pay Annual Member Fees (AMF) to cover the cost of running your LifeSight Account and the investment management charges. This is common practice for all defined contribution pension arrangements. This fee is a combination of a fixed cost for the running of your LifeSight Account, plus a variable cost depending on which investment funds you hold money in. The fees you pay are automatically deducted from the value of your fund on the first working day of each month, based on your investment choices at the end of the previous month. You'll be able to check this at any time through the 'My Transactions' section of your online account.

This fee is not new, members have always paid a membership fee previously with Aegon. The fee was built into the unit prices and was not transparent. LifeSight show it as a deduction in your account transactions. The fee will continue if you take an income drawdown at retirement with LifeSight.

23. What charges are there for switching between Free choice funds?

Answer:

There isn't a charge to switch between funds as it is covered within your annual management charge which is deducted monthly. Different funds will have different charges and you can see the charges on the fund factsheets.

Questions relating to benefits after death:

24. Could you please confirm what percentage of my pension will be available to my spouse as a widow's pension if I pass away first?
25. If I die for example 3 months after receiving my first monthly pension – do my beneficiaries get any payments?

Answer:

This depends on the benefits selected at retirement from your LifeSight account. If you choose to take income drawdown, the benefit due to a spouse or dependant is the remaining balance of your pension account, there would be no widows pension. If you purchased an annuity it would depend if you bought one that includes dependants/widows pensions and guarantees. For example, if you purchased a single person annuity with no guarantees then there will be nothing payable to any beneficiaries.

26. Where can I find the expression of wish form, and where do I send it too?

Answer:

Following the move to LifeSight active members are asked to complete two expression of wish forms.

The first is to nominate your beneficiaries for you LifeSight pension pot, this form needs to be completed online and is found in the 'My Beneficiaries' section of your LifeSight account.

The second is for your AXA Life Assurance lump sum, this form can be found on our pensions website under the library section [Forms & guides | Library | AXA Pensions \(axa-employeebenefits.co.uk\)](#) This form should be returned to your local payroll department or if you are unsure of your local payroll please email it to us at pensions.uk@axa.co.uk

Questions relating to contributions:

27. Does AXA increase contributions, if I increase mine?

28. Do the employer contribution percentages' increase/decrease with age?

Answer:

This depends on the section of the scheme you are in, if you are unsure what section of the scheme you are in please contact us at pensions.uk@axa.co.uk

29. How do you increase your contributions? Do you have to contact payroll?

Answer:

Contributions can be changed through the MAX benefits system when the monthly windows open, if you do not have access to MAX please contact your payroll or complete one of the forms on our website [Forms & guides | Library | AXA Pensions \(axa-employeebenefits.co.uk\)](#).

30. Can we only make additional contributions during our annual election window or at any time?

Answer:

If you want to make changes to your regular monthly contributions or make a one-off lump sum the benefits window opens on a regular monthly basis for you to do this. A Bonus Sacrifice election can only be made once a year.

31. How do you make an AVC lump sum outside of payroll?

Answer:

The usual time a one-off AVC lump sum would be made is if you wish to pay the proceeds from your AXA shares into your pension. Any contributions you make to this scheme will need to come from payroll, contributions cannot be made from other sources.

32. Can we make an additional large lump sum payment into the pension fund, that is within the £40,000 annual allowance but, say, exceeds total annual salary?

Answer:

You can make lump sum payments into the scheme, however you cannot contribute more than you earn in that tax year. If you exceed the AA in a tax year, you have the option to use any unused annual allowance from the previous three tax years.

33. Have our contributions made into the previous pension provider been transferred to LifeSight?

Answer:

Yes, your savings that were with Aegon in the DC section of the AXA UK Group Pensions Scheme have now been transferred to your LifeSight Master Trust account.

34. Would you advise paying extra contributions?

Answer:

We cannot advise as it is a personal decision. Any additional contributions paid into the scheme will receive tax and national insurance relief and will go towards building a bigger pension pot for your long-term future.

35. Is it wise to put the full amount of the AXA Bonus Sacrifice into the pension?

Answer:

We cannot advise, as it's a personal decision. The key thing is that you do not have to put all of your bonus into the Scheme. The part of your bonus you choose to sacrifice will receive tax and National Insurance relief and will go towards your long-term future.

Questions relating to the LifeSight Funds:

36. Where can I find details of exactly which funds my pot is invested in, and the key information documents for those funds, so I can see what equities etc are held by the funds?

Answer:

Through fund factsheets which show the top ten holdings, regional split and sector split and past performance over the last 5 years. Key information documents are also available under the 'Investment' tab on LifeSight.

37. What asset class is the LifeSight Diversified Growth Fund Invested in? Does it de-risk into bonds or does it stay in equities even at retirement?

Answer:

The idea of a Diversified growth fund is to invest in a mixed class of assets, meaning it does have exposure to equities and bonds. This would continue in an income drawdown.

38. If you choose the self-select option, would you be able to return to "manage for me" option later if you wanted/needed to?

39. Under self-select can you choose to split amounts across different funds or do you have to go all in on one fund?

Answer:

Yes, you can choose to self-select and then go back into the Lifecycle at a later stage. You can split the investment of your pot between both self-select and Lifecycle strategies, furthermore you can invest in as many funds as you wish under the self-select range.

40. Are the funds performing well?

Answer:

To check the performance of the accounts you are invested in log onto your LifeSight account and view the fund factsheets or the fund performance tracker.

41. My pension investment section states 'currently invested in funds from your previous pension scheme' — what does this mean?

Answer:

This means the funds you were invested in at Aegon will be where you are invested with LifeSight unless you have since elected to make a change.

42. The closing statement pre-LifeSight was quite confusing. Who can we contact if we think the credits recorded do not match actual salary deductions?

43. Who can I contact to query the contribution percentages shown in LifeSight?

Answer:

Please contact the pensions team at pensions.uk@axa.co.uk

Questions relating to Retirement Age and the Target Retirement Age:

44. What's the earliest you can start drawing down in this pension?

Answer:

Currently the minimum you can access any pension benefits is age 55, however this age is expected to change to 58 from 2028.

45. What is the Lifecycle age? Is it your projected retirement age?

Answer:

Your Lifecycle age is defaulted to age 65 unless you have changed it to reflect your individual retirement plans.

46. Is the Lifecycle age for investments to retirement fixed at 65 or can this be changed? If it can be changed how do I do so?

Answer:

Your Lifecycle/Target retirement age can be changed at any time (currently it can be any age between 55 and 75). To change it, in your LifeSight account go to 'My Investments' then in top right-hand corner there is a box, select from this 'Review and Change my Investments' then 'Change Target Retirement Age'.

47. What happens if I put X as a retirement age but work more or less than that?

Answer:

Assuming you are in one of the Lifecycle strategies, this means that you maybe in the wrong fund when you do retire, compared to the expected glidepath of the lifecycle strategy. This means you may have a higher or lower allocation to riskier or safer investments that you expected. We suggest you review and update your target retirement as necessary.

Questions relating to retirement options:

48. When I am due to retire what is the best way to inform LifeSight?

Answer:

Approximately six months before you plan to retire you should speak to the LifeSight administration team who will then send out a retirement pack.

Email: lifesightsupport@willistowerswatson.com

Telephone: 01737 230 473

49. When do you need to make drawdown or annuity decision?

Answer:

Please see our website which provides information and support on the options available.

[Ready to Retire | Your Journey | AXA Pensions \(axa-employeebenefits.co.uk\)](#)

The actual choosing of an annuity or a drawdown is something you choose at the point of retirement.

50. Does money in the drawdown continue to grow/be invested whilst you are drawing from it?

Answer:

Yes, your fund continues to be invested while you are drawing from it. So, it is important to choose an investment option that is appropriate to you.

51. I've read about new "blended" withdrawals: a mix of lump sum (to celebrate), annuity (for expenses) and investment (for playing) – can we do this?

Answer:

Yes, at retirement you can take a lump sum and buy an annuity to give some certainty and leave some for drawdown as and when you want it. There is a lot of flexibility as to how you can use your DC funds to provide you with monies in retirement. We strongly

encourage you to take full advantage of the support available to help you decide the best option for you.

52. What are the charges for using the drawdown option v. annuities?

Answer:

If you choose a drawdown option with LifeSight, they do not charge for transferring or taking withdrawals you would just continue to pay the normal AMC.

Annuities would need to be bought from a separate insurance company and the cost would depend on the type of annuity you wanted, and the rates offered.

53. How are your options affected if you have more than one pension pot privately and/or from previous employers?

Answer:

Having other pension benefits elsewhere will not affect what your options for your LifeSight savings. If you have other DC pots, one option available to you is to combine them into a LifeSight drawdown solution.

Questions relating to the tax-free lump sum:

54. How do you access the tax-free lump sum?

Answer:

When you reach retirement age you can contact LifeSight directly as follows:

Email: lifesightsupport@willistowerswatson.com

Telephone: 01737 230 473

55. 25% of the pension pot is completely tax free, regardless of whether you're still working is that correct?

56. If you have your pension spread across different pension providers. Can you take the 25% tax free sum in different tax years from each provider?

Answer:

Yes, this is correct. You are entitled to 25% of each of their values as a tax-free cash lump sum. Under current legislation it does not matter if you are working or not. You can take tax-free cash lump sum from each pot in the same or different tax years.

57. If you have taken a 25% lump sum and then take the drawdown option...are the drawdown amounts each year taxable?

Answer:

Yes, everything you take as income will be taxed at your personal tax rate.

58. If I take the tax-free cash lump sum at 55 but continue working, what happens to current fund and future contributions?

Answer:

If you take the tax-free lump sum and go into a drawdown fund it is a crystallisation event. You can carry on contributing but if you start to draw any monies down you will be impacted by the MPAA (money purchase annual allowance) which restricts the amount of contributions you can make into the scheme. The MPAA reduces the amount you can contribute, and still enjoy tax relief, from £40,000 to £4,000 in a year.

If you just take the tax-free lump sum and do not move into income drawdown this will not be a crystallisation event and the MPAA will not be triggered.

59. If you don't take the full 25% tax-free lump sum at the outset, can you take the remained later and it still be tax free?

Answer:

At retirement you have the option of taking up to 25% tax free cash of the value of the pot you choose to crystallise. You can then choose what to do with the balance of your pot for example using it for income drawdown or to purchase an annuity.

There is another option available known as an uncrystallised funds pension lump sum (UFPLS). instead of taking the full 25% tax free lump sum upfront you would drawdown regular lump sums of money. Every time you take a lump sum 25% of that would be tax free. Please note if you decide not to take the tax-free element when you can then you could lose the opportunity to take it at all.

Questions relating to leaving AXA:

60. If you leave AXA before retirement what happens to my LifeSight DC pot?

61. If I leave AXA, can I still pay into my account?

Answer:

When you leave AXA, you will become a deferred member of LifeSight meaning your pot will remain invested with LifeSight until you reach retirement age. As a deferred member you continue to will have access to all the tools and support offered.

The LifeSight pension arrangement is linked to your employment with AXA once you leave AXA you will become a deferred member and you can no longer pay in contributions.

Alternatively, you can transfer out to another pension provider, for which there is no time limits.

Questions relating to pension transfers:

62. Is it possible to transfer in other pension balances to keep all in one place?

63. I transferred several old work pensions into a personal pension plan, can this be transferred into LifeSight?

64. How do you go about transferring in other pensions, and is there a charge?
65. How easy is it to transfer other pensions into LifeSight to consolidate my pensions?
66. I've managed to log in can the transfer of an old pension into this one be done online?
67. Is it a good idea to combine pensions into one pot?
68. If we have another pension - How do, we know whether we should transfer it to LifeSight or not?

Answer:

Yes, it is possible to transfer other pensions into your AXA Pension. You can do this by completing a transfer enquiry form on your LifeSight account online, the team will then contact you to progress. You may also need to contact your current provider. It is the same process for personal and workplace pensions.

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 or Defined Benefit (DB) arrangement you will need to obtain financial advice before proceeding. If it is a Personal Pension or a Defined Contribution (DC) arrangement like LifeSight then you should review the choice of funds available, compare the Annual Management charges (AMC) and consider your risk spread. For some older policies you need to check if there are any exit penalties or guaranteed annuity rates you are giving up by transferring.

69. I have a company pension (DC) with another company I worked at which is also held at LifeSight. Can it be moved to the AXA LifeSight account?

Answer:

Yes, it can be linked and will appear as a separate pot within your account. Please contact LifeSight for further information on this.

70. Can I part transfer any of my AXA lifeSight pot to a personal pension fund?

Answer:

As an active member you can transfer out up to 100% of your pension pot every 12 months as a partial transfer.

71. Is there an easy way to find out who your past pensions were with from previous employers, or is it just a case of digging out paperwork?

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>

Questions relating to ESG:

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

73. Also are there options to invest solely in ethical based funds?

Answer:

It is a legal requirement for the LifeSight Trustees to consider ESG. LifeSight offer two funds with ESG built into them (LifeSight Equity Fund and LifeSight Global Equity Smart Beater ESG Fund). The 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. There are also solely ethical based funds such as the Shariah Law, and those that look at environment, governance and social factors.

Other Questions:

74. Are you entitled to a state pension if you have a private pension, and if so, would the state pension reduce based on the monetary amount of the private pension?

Answer:

Your state pension is based on your National Insurance (NI) history, providing you pay enough NI contributions (or receiving credits e.g. for childcare) you will be entitled to state pension. State Pension forecasts are available on the government website.

75. When I retire is it possible to combine my DC pension pot with my partners DC pension pot and reinvest it somewhere else as a joint pot?

Answer:

No this is not possible. You have your own personal tax allowance, Lifetime Allowance and your own UK relevant earnings.

76. Are there differing levels of protection depending on whether you are actively contributing to the scheme, a deferred member or taking your pension?

Answer:

There are a couple of safeguards in place that protect your benefits, regardless of your membership status. Firstly, LifeSight is a Trust based arrangement and so sits in a separate Trust away from AXA and Willis Towers Watson, meaning the benefits are completely ring

fenced. There is an independent board of Trustees to protect members best interests. Funds are insured funds so have 100% FSCS protection while invested.

77. Are pension rules/arrangements for couples in Civil Partnerships the same as for married couples?

Answer:

Under this scheme they are.

78. Can I get a duplicate of my 2020 benefit statement?

Answer:

We are unable to provide copies of the 2020 DC statement, as these were issued under our previous provider (Aegon).

79. You mentioned losses and gains and risks... is there a guaranteed minimum amount we will be able to use as our basic pension (the fee that us and the employer paid in)?

Answer:

There is no guaranteed minimum amount. Your pot is invested, and the performance will depend on a number of factors. The key thing to note is that pensions are a long-term savings vehicle. Markets will fluctuate; however, it is expected that over the long term positive returns will be achieved.

Where members are within 15 years of retirement the default lifecycle strategy gradually moves you to lower risk investments. This means that the capital will have more protection but will continue to obtain investment growth.

LifeSight is overseen by professional independent Trustees and one of their key roles is to monitor the investment funds to ensure they are performing as expected. The Trustees would step in if funds are underperforming and replace them if necessary.

80. What controls are in place to prevent someone fraudulently 'stealing' another's pension? i.e. when it comes to accessing the pension, what is required to prove we 'own' the money?

Answer:

When you are looking to access your pension, you will be asked to provide proof of identification and confirm various pieces of information before the benefit is paid.

81. What are the benefits of investing in LifeSight compared to a stakeholder pension?

Answer:

If you are investing in LifeSight you are getting your employer contributions invested into the scheme, if you decide not to pay into LifeSight then you do not get the employer pension contributions.

An option if you looking to invest in a wider choice of funds is to request a partial transfer to a personal arrangement.

It is very important to look at the charges applied.

82. Will I be able to see previous AVC payments I have made such as opting to add some of my bonus into my pension via the MAX website?

Answer:

Your funds which were part of the bulk transfer from Aegon into LifeSight it will not be split out, however going forward future bonus sacrifices will be shown separately.

83. A number of people, are at risk of redundancy it would be good to understand what happens if they are made redundant?

Answer:

For those at risk of redundancy an FAQ is being put together for the pensions website, but please contact pensions.uk@axa.co.uk for help on any questions you may have.

Questions relating to Defined Benefit 'final salary' section:

84. I also have a DB (defined Benefit) pension. How do I access this and check what the benefit is worth?

85. I was previously paying into the final salary pension scheme, has this been transferred also, or is this completely separate?

Answer:

The Defined Benefit (DB) or 'final salary' section is completely separate to your LifeSight account and has not been transferred over. It is administered by Capita, who will be able to confirm the value of your benefits and the choices available to you. They also offer an online portal which you can register for. Capita can be contacted on:

Telephone: 0370 1234 701

Email: AXA-pensions@capita.co.uk

Online Portal: www.hartlinkonline.co.uk/AXA-employeebenefits

86. Do we get the same choices under previous AXA Pensions DB section as we do with LifeSight for example drawdown, etc.

87. Are the DB pension details automatically included in the LifeSight Tools?

88. My normal retirement in the DB section is 62 has this been carried over to LifeSight?

Answer:

Your retirement options under DB section will different to those under LifeSight. The best way to check the options available under your DB Pension is by contacting Capita. If you wished to access the LifeSight Drawdown option for your DB benefits you would need to complete a transfer out of the DB section to Lifesight. It is a mandatory requirement to receive IFA advice for transfers of DB benefits.

The LifeSight tools will not automatically include your DB pension, you will need to input the information like you would any other pensions you have.

Your normal retirement age under the DB section and LifeSight will not necessarily be the same, you can change your Target Retirement age in LifeSight.