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24 August 2020

Confirmation to proceed with the proposed changes to your Defined Contribution (DC) pension arrangements

Dear Samantha

Following the consultation earlier this year, we wrote to you to let you know that we had decided to postpone making a decision on the changes that were proposed to the DC section of the AXA UK Group Pension Scheme (the Scheme).

Having now further considered our decision in respect of the changes, we are writing to you on behalf of your employer to confirm our decision to proceed.

As a reminder, the changes are:

- To close the Scheme's DC section.
- To set up a new Master Trust arrangement called LifeSight in its place.
- To transfer all existing DC member savings to LifeSight so that no further benefits are provided from the DC section.

Whilst the impact of COVID-19 is far from over, we have now considered all feedback received during the consultation and are still of the view that replacing the DC section with LifeSight is the right decision for AXA and our DC members. Having continued to monitor the global situation carefully, we have decided that now is the right time to proceed.

Naturally, the postponement has resulted in a change to the originally proposed dates for the changes to take place. As a result, we can now confirm that they will come into effect from **30 September 2020**, which is the date the Scheme's DC section will close.

What does this mean for me?

As you are currently saving into the DC section, these changes will affect you. On **30 September 2020**, the DC section of the Scheme will close to all future contributions. Your last payment to the DC section will be taken from your September pay and invested in your DC section account shortly after.

From **1 October 2020**, you will become a member of LifeSight and will begin to build up future DC savings within this new arrangement. Your current pension contribution rates will be unaffected and will remain as they are today, unless you decide to change your personal contribution. Your first payment to LifeSight will be taken from your October pay and invested in your LifeSight account shortly after.

All savings already built up in the DC section of the Scheme will be transferred to LifeSight after 1 October 2020 and this may take up until mid-December to complete. The existing Trustee of the Scheme will remain responsible for looking after these savings until they are transferred to LifeSight and they will write to you shortly with more information about the transfer process. Please remember that these changes will have no impact on the level of savings you have already built up in the DC section.

Continued overleaf...

Investment options

As part of the move to LifeSight, the funds in which your account is invested will change. We have included a summary of the new investment options in the enclosed leaflet. The Trustee will provide more information about the new options and what this means for your existing savings when they write to you about the transfer.

As part of the transfer, it's important to note that your *existing savings* will be mapped to the new investment options which most closely match your existing choices; however, any *future contributions* you make from 1 October 2020 will automatically be invested into the new **Drawdown Lifecycle strategy** which is the default investment strategy within the new LifeSight arrangement.

This may mean that your *future contributions* are invested differently to your *existing savings* after 1 October 2020. You will be able to change this once the transfer of your *existing savings* has been completed and your account is being managed by LifeSight.

Death in service benefits

As a result of the decision to proceed with the changes, the DC section of the Scheme will be closed so that no future benefits will be payable from it. This will include your current death in service benefits.

From 1 October 2020, death in service benefits will be provided through a stand-alone Life Assurance Trust set up by AXA UK. The Trustee of this Trust will be the Trustee of the AXA UK Group Pension Scheme. The level of death in service benefits you are entitled to will remain unchanged and there will be no gap in coverage and no additional cost impact for members.

What do I need to do?

The changes outlined in this letter will happen automatically – **you do not need to take any action**. The enclosed summary leaflet provides a reminder of the changes, as well as a summary of the new investment options which will be available to you.

LifeSight will write to you in October to welcome you to the new Master Trust and to provide further information about how to access your new account.

Details of who to contact for further information are included in the enclosed summary leaflet; however, if you have any general queries relating to your pension, you can continue to contact the AXA Pensions Team on **pensions.uk@axa.co.uk**.

Thank you once again for engaging with the consultation throughout this period.

Yours sincerely



Lucinda Charles-Jones

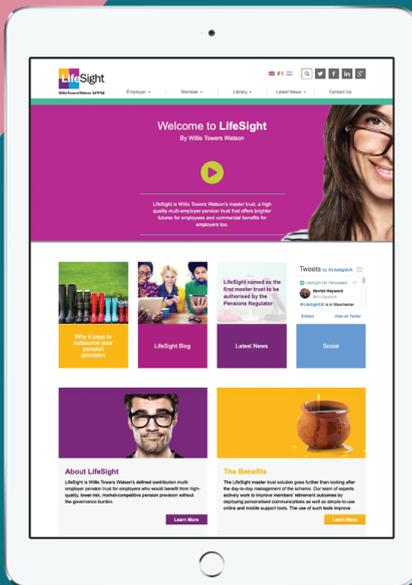
Group HR Director

AXA UK & Ireland

On behalf of AXA Services Ltd



The move to LifeSight



Following a consultation with active members and eligible employees in early 2020, AXA has decided to proceed with a number of changes to the pension arrangements. The changes, which will take place from **30 September 2020**, will result in the Defined Contribution (DC) section of the AXA UK Group Pension Scheme (the Scheme) being closed and replaced with a new Master Trust arrangement called LifeSight.

What are the changes?

AXA is making the following changes to the pension arrangements:

- Closing the Scheme's DC section on 30 September 2020.
- Setting up a new Master Trust arrangement called LifeSight to replace the current DC section of the Scheme from 1 October 2020.
- Transferring all accrued (built up) DC member savings to the Master Trust so no further benefits are provided from the DC section.

Why change?

AXA believes the change is positive for members, with no impact on the level of pension savings you have already built up in the Scheme. Benefits include:

- A strong, regulated, governance framework suitable to meet the requirements of the evolving pensions landscape and increasing regulation of DC arrangements.
- Continued involvement from AXA who can still decide contribution rates and will continue to monitor the investments and administration of LifeSight in the interests of members.
- Continued flexibility over how members save, with a strong range of investment options and improved options at retirement.
- An enhanced online experience, including access to LifeSight's online retirement planning tools.
- A wider range of tools, information and support.

What is LifeSight?

LifeSight is one of the leading Master Trusts primarily catering for large employers and is provided by Willis Towers Watson.

LifeSight is authorised by The Pensions Regulator and has gained both the Pensions Quality Mark Ready (PQM Ready) and the Retirement Quality Mark (RQM) from the Pensions and Lifetime Savings Association (PLSA). PQM Ready recognises high quality Master Trusts and requires high standards of governance and clear communications. The RQM recognises the quality of the options offered at retirement.

For more information about the changes, the original consultation materials and FAQs can still be found at pensions.axa-employeebenefits.co.uk/mastertrust (you will need the password you were sent at the start of the consultation).

New investment options

As part of the move to LifeSight, the fund options in which your account is invested will change. We have included a headline summary of the new investment options here.

Following the move, you will still have a choice of three overarching investment strategies:

1. Drawdown Lifecycle strategy

2. Annuity Lifecycle strategy

3. Freechoice

From 1 October 2020, **future contributions** will automatically be invested into the new Drawdown Lifecycle strategy, which is the default investment strategy. The existing Trustee of the DC section will provide more information about the new options and confirm where your **existing savings** are due to be invested when they write to you about the transfer.

Whilst the three investment strategies on the left appear to be exactly the same as the existing DC section of the Scheme, the underlying funds and structure of each will change. As a result, the specific funds available for selection under Freechoice will also change.

The new range of Freechoice funds will be as follows:

- UK Corporate Bond Fund
- UK Fixed Interest Gilts Fund
- UK Index Linked Gilts Fund
- LifeSight Cash Fund
- Emerging Markets Equity Fund
- MFS Global Equity Fund
- LifeSight Equity Fund
- Developed Market Equity Fund (Unhedged)
- Framlington UK Select Opportunities Fund
- UK Equity Fund
- Property Fund
- Shariah Equity Fund
- Ethical Global Equity Fund
- Architas Diversified Real Assets Fund
- Architas Multi Asset Passive Moderate Fund
- AXA Diversified Fund
- LifeSight Bonds Fund
- LifeSight Diversified Growth Fund

The Trustee will provide more information about the changes to your investment options when they write to you in September.

What is a Master Trust?

A Master Trust is a trust-based pension scheme in which multiple employers can participate. There is one trustee and a single trust structure but there are multiple separate sections which relate to different employers (who are generally not associated with each other). Each of the separate sections of the Master Trust has their own bespoke requirements and benefit structure.

Although many different employers participate, membership is set up and administered separately for each organisation, so AXA would have its own section in the Master Trust.

A number of different types of pension scheme exist in the workplace pension market. Master Trusts are one of the most popular, with over 16 million people in the UK now saving for their retirement via a Master Trust.

What happens next?

- **Early September:** The Trustee will write to members about the transfer of existing DC section savings and to provide more information on the new investment options.
- **30 September:** The DC section of the Scheme will close.
- **1 October:** You will become a member of LifeSight.
- **7 October:** A freeze period to enable the transfer of your existing savings to LifeSight will begin. You will not be able to change your investment choices, transfer your savings to another pension arrangement or take your benefits during this time (more detail about the freeze period will be provided by the Trustee).
- **Mid-December:** The transfer of all existing DC section savings will be complete. Your account will now be managed by LifeSight.

Contact details

For questions relating to your pension saving in the AXA UK Group Pension Scheme:

Aegon will continue to administer your pension benefits within the existing Scheme until they are transferred.

0345 603 4048

axapensionsadmin@aegon.co.uk

For questions about your pension saving in LifeSight (from 1 October 2020 onwards):

Willis Towers Watson will become your new Scheme Administrator.

01737 230 473

lifesightsupport@willistowerswatson.com

If you have any general queries, please contact the AXA Pensions Team on:

pensions.uk@axa.co.uk