

UBS ValueFlex

Pension bytes

Module 1: Contributions

June 2024



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Pension bytes is a series of online modules that support ValueFlex and ongoing pension decisions.

This module is a short overview for information and guidance purposes only and should not be treated as advice.

The information is based on current UK tax law and guidance published by HM Revenue & Customs as at 30 April 2024. It therefore includes the latest information on pension tax allowances, following changes that came into place for the 2024/25 tax year. Tax law and guidance may change.

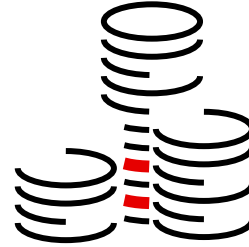
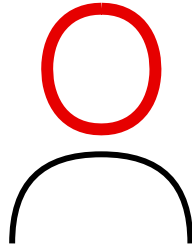
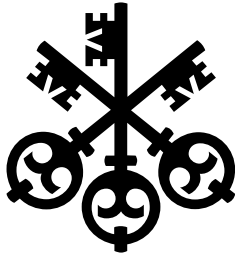
The information provided is intended for educational and illustrative purposes. It does not constitute investment or any other advice, and it is intended to be a supplement to information and statements provided by the Trustee of the UBS (UK) Pension & Life Assurance Scheme.

It should not be solely relied on to make investment or other decisions. It is recommended that you seek independent financial advice before making any important decisions about your retirement savings.

Any examples shown are illustrative only and are not guaranteed.

For full details of the pension Scheme please refer to the formal Scheme documentation such as the Scheme Booklet, the DC Investment Guide and the Scheme FAQs, all of which are available on the pensions area of the UK Benefits Portal.

A big boost from UBS



UBS contributes
10% of your
Reference Salary* out
of your ValueFlex
Fund

You can contribute
an additional % of
Reference Salary* out
of your ValueFlex
Fund (or from Base
Salary if you have
used up all your
ValueFlex Fund)

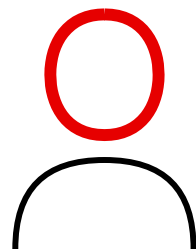
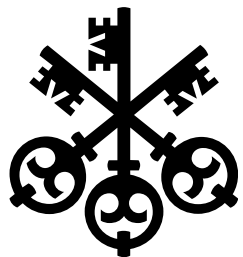
Total saved for
your retirement

Over time, will the basic
10% contribution be
enough to provide the
retirement income you
would like?

*Reference Salary is the figure used to calculate your ValueFlex fund and salary-related benefits. It is your Base Salary subject to a maximum cap (£135,000) or minimum floor (£50,000).

Saving for retirement costs less than you may think

Here's an example:



UBS contributes 10%

A member contributes
an additional 10%

**So, £1,000 a month into their pension has only
cost this member £580**

Annual Base Salary	£60,000
Gross monthly salary	£5,000
UBS contributes 10%	£500
You elect to contribute another 10%	£500
Total pension contribution (20%)	£1,000
Less: NI savings (2%)	(£20)
Less: Income Tax relief at 40%	(£400)
Net cost	£580

Example for illustration purposes only. Based on NI rates from 1 July 2024 and assumes a marginal rate of income tax of 40%. Applies whether your total pension contribution is funded fully from ValueFlex Fund; or partly from Base Salary if you've used up all your ValueFlex Fund.

Saving more, sooner, helps grow your pension pot

Contributions starting at <u>age 30</u> and £60,000 Base Salary	Pot size at age 60 in today's terms	Pot size at age 65 in today's terms
10%	289,300	373,400
15%	434,000	560,100
20%	578,700	746,800
30%	868,000	1,120,200

Contributions starting at <u>age 40</u> and £60,000 Base Salary	Pot size at age 60 in today's terms	Pot size at age 65 in today's terms
10%	160,300	219,100
15%	240,500	328,600
20%	320,600	438,200
30%	481,000	657,300

The last slide in this module shows the assumptions made for these pension pot projections.



How much should you pay in? Some rules of thumb...

If you were paid a salary of £60,000 a year, what % would you have to contribute to target a £500,000 pension pot at age 65 in today's terms? This would aim to fund withdrawals of £17,500* (in today's terms) a year using a prudent drawdown rate today.

Starting Age	Contribution needed (% of Reference Salary)
20	8.5%
30	13.5%
40	23.0%
50	45.0%

*What income will you need in retirement? Search "PLSA Retirement Living Standards" for some useful guides



All assumptions made for any figures shown are on the last slide in this module.

See how contributing more would influence **your** pension pot

Use the Retirement Planner under Quotations and Tools on the UK Benefits Portal



Adjust your contribution rate or retirement age, to see the effect that paying more in might have on your pension pot.

Pensions & Investments Retirement Options Salary

UBS (UK) Pension and Life Assurance Scheme Regular Contributions

Retirement age

Fund balance £ 7,093

Monthly contribution % (£2,917)

Investment style

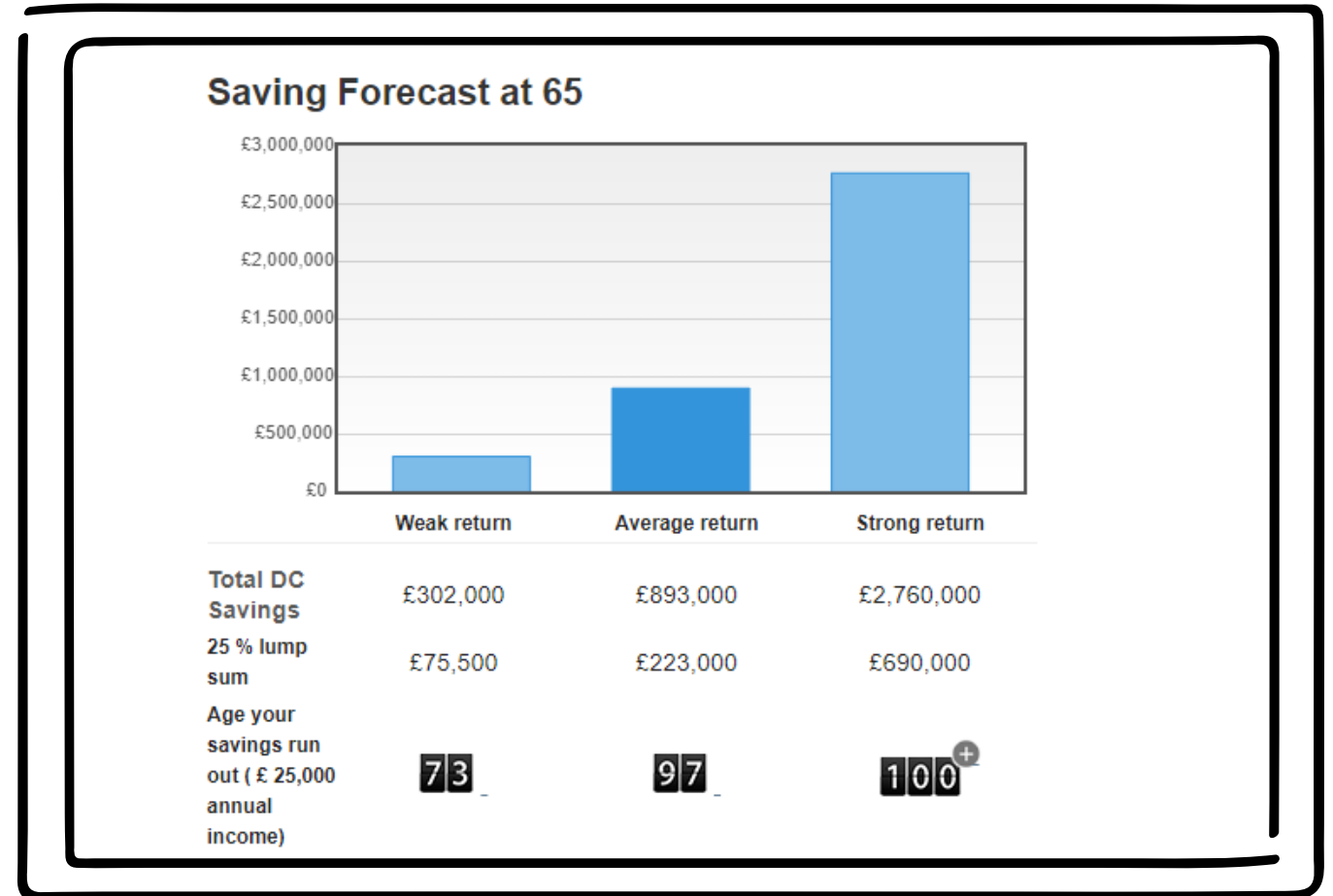
Add a fund... [Advanced Search](#)

Fund	Balance	Contribution
Lifestyle targeting an Annuity	<input type="text" value="100.00"/> %	<input type="text" value="100.00"/> %
Total	100%	100%

Lump Sum Contribution

See how contributing more would influence **your** pension pot

Use the Retirement Planner under Quotations and Tools on the UK Benefits Portal



Tax rules for saving for retirement with tax relief

Under current tax rules, eligible pension contributions benefit from tax relief at your marginal rate – i.e. the highest tax rate you pay.

It's your responsibility to manage your tax – if in doubt take financial advice on your situation.

To avoid any unexpected tax bills, you need to factor in:

- **Annual Allowance** is £60,000 a year – this is the total amount you and UBS can contribute to your pension pot each year tax efficiently
- **The Lump Sum Allowance (LSA)** is £268,275 which is the highest tax-free cash amount you can take across all your pensions
- **The Lump Sum and Death Benefit Allowance (LSDBA)** is £1,073,100 which is the total amount of tax-free cash across all your pensions that can be passed on to your dependants.

More rules and tools for higher earners

If you have total taxable annual earnings over £200,000 a year, you may have a lower tapered Annual Allowance.

If now or in the future your adjusted earnings (broadly your total taxable earnings and Scheme contributions) are over £260,000, your Annual Allowance will reduce.

If your adjusted earnings are over £360,000, your Annual Allowance will be £10,000 a year.

It's your responsibility to manage your tax – if in doubt take financial advice on your situation.



Want to fix your monthly pension contributions?

If you're employed by UBS, from 1 July 2024 you have the option to select fixed monthly contributions through ValueFlex that total £10,000 for the year. This is to help you manage your contributions if you are impacted by the Tapered Annual Allowance. You can find out more information about this option on the UK Benefits Portal.

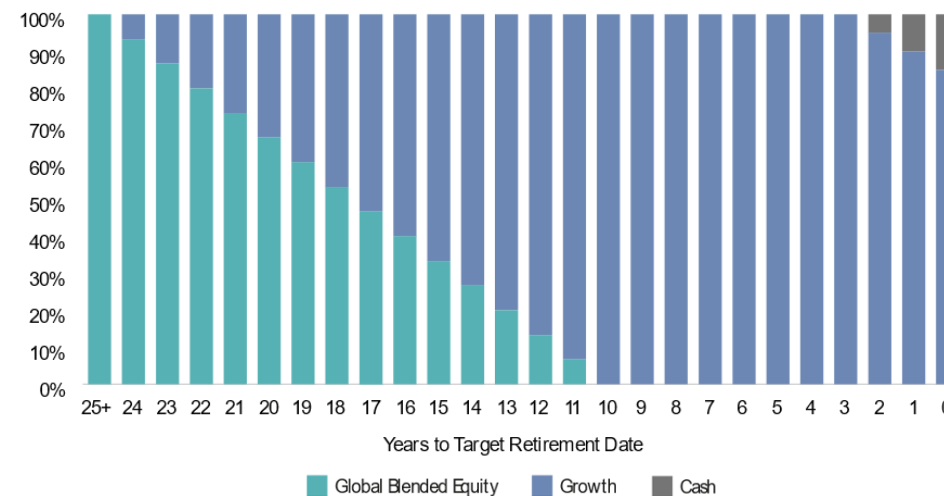
Assumptions for projections given in this module

- **Retirement age:** 60 or 65 years old as stated on slides
- **Starting salary:** £60,000, increased annually in line with inflation
- **Tax-free cash:** not taken as a lump sum at retirement but as 25% of each annual withdrawal (until fully exhausted) to reduce income tax in retirement

Starting pot size	£0	Inflation	2.5% p.a.	Drawdown rate	3.5% p.a.
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- **Projected investment returns:** based on the Scheme's default investment option using return assumptions for the Statutory Money Purchase Illustrations (SMPIs) included on annual benefit statements for the year to 30 June 2023 (set out opposite). Revised SMPI assumptions will be used in benefit statements as at 30 June 2024 and the effect of the changes will be outlined in those statements.
- At-retirement pot sizes and income shown in today's terms (i.e. adjusted for inflation)

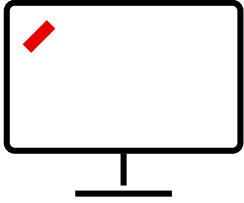
Lifestyle Targeting Drawdown (the default)



Fund	Net of fees return assumption (% p.a.)
Global Blended Equity Fund	6.25
Growth Fund	5.50
Cash Fund	1.00

Please note, these assumptions are for used for illustration only and should not be relied upon for retirement planning purposes. They are intended to highlight the impact that different contribution rates might have on the level of drawdown that could be available from your Scheme savings at retirement. Future performance will depend upon market and manager returns and will likely differ from the assumptions used.

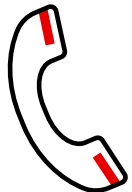
Got a question?



Go to the My Pension area of the UK Benefits Portal where you'll find lots of resources and FAQs



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01737 227527 (+44 1737 227527 from overseas) between 9am and 5pm Monday to Friday, UK time (excluding bank holidays)