

# Understanding your buy back option

The term 'buy back' means using your defined contribution (DC) pension savings to purchase additional defined benefit (DB) pension at retirement.

In simple terms, it means using the money in one pension savings pot to increase the amount of pension you can receive from your retirement savings in another pension pot.

It may be beneficial as your DB pension will provide a monthly income for life, including annual inflationary increases. You can only get these benefits from your DC savings by purchasing an annuity.

An annuity is a retirement income purchased from an insurer. The value of the annuity available to you depends upon a number of factors including market rates at the time of purchase, and would be subject to fees. It's up to you to decide what's best for your circumstances, and you may wish to consult an independent financial adviser. You can use MoneyHelper's [Retirement Adviser Directory](#) to find a regulated adviser in your area.

## Eligibility

There are specific rules around which savings you can use to 'buy back' defined benefit pension from the Vodafone Group Pension Scheme.

**You are only able to use the buy back process if:**

- **You have CWW DC benefits that were transferred into LifeSight in early 2020.** This does not include contributions that have been made since the transfer.
- **You have CWW DC benefits and paid Additional Voluntary Contributions (AVCs).** In this case, you can choose to use your **AVCs only** to buy back additional DB pension.
- **You're a VGPS member and paid AVCs prior to the transition to LifeSight.** In this case, you can use any AVC savings built up prior to the transition to buy back additional DB pension.
- **You had monies invested with UTMOST or Prudential AVCs.** In this case, you can use these savings to buy back additional DB pension.

## Choosing buy back

If you want to use buy back to exchange your DC or AVC savings for additional DB pension you need to complete the retirement forms supplied by LifeSight and indicate that you want to take the buy back option.

## Buy back and spouses' pensions

When you retire you will choose between a single life and a joint life pension. If you choose joint life, when you die your spouse will receive a benefit of two thirds of the pension that was being paid to you at the date of your death. If you opted to use buy back to increase your annual pension, your spouse will receive two thirds of this increased pension.

→ On the next page you will find answers to common questions.



# Frequently asked questions

## 1 Can I use my full LifeSight defined contribution (DC) pot for buy back?

No. You're only entitled to use the amount that is in respect of your CWW DC benefit to buy back additional DB pension.

## 2 Is there a minimum limit to buy back and can I partially transfer?

If you choose to buy back additional DB pension, you're required to use your full CWW DC benefit, regardless of the size of the pot. You can't partially transfer.

## 3 Can I transfer in or add to the CWW defined contribution pot within LifeSight in order to increase the amount I can use for buy back at retirement?

No, you aren't allowed to do this.

## 4 When would I be entitled to buy back?

Buy back is an option offered to you as part of the retirement process. Under current UK legislation the earliest you can retire is age 55 (increasing to 57 from 2028).

## 5 Is the DB pension from buy back based on final salary or accrual rates?

Your CWW DC pot held within LifeSight will be converted into an annual pension amount to be paid from the DB scheme.

## 6 Who pays the Tax Free Cash (TFC) if I choose to receive a lump sum benefit at retirement?

LifeSight will pay your TFC directly and transfer the residual amount to the WTW DB pension team to set up and pay your annual pension.

## 7 How long does it take to receive my first pension instalment?

Pensions are paid on the 28th of each month, but your first payment date will depend on when all the required information is received and whether this is before the payroll cut-off (which is usually a couple of weeks before payment dates). You will receive a letter confirming when you will be paid.

## Need more information?

If you need more information, please contact LifeSight on:

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