



Leaving the Scheme – DC options

(For members who started to build up their DC pension pot on or after 1 October 2015)

If you started to build up your DC pension pot before 1 October 2015, please contact the HSBC Administration Team (see contact details on page 5) and they will send you the leaflet appropriate to you.

For members who have a DC pension pot in the HSBC Bank (UK) Pension Scheme



Helping you decide

As you're leaving HSBC, you need to think about what to do with your DC pension pot. To help you decide what's right for you we've provided this leaflet.

Before making a decision, you should read the information provided and if you have any questions you can contact the HSBC Administration Team – see contact details on page 5.

If you're not sure about your choices, we recommend that you talk to an Independent Financial Adviser (IFA); see page 4 for more details of how to find a local Independent Financial Adviser.

If you're leaving the Scheme with:

less than thirty days' qualifying service...

You can either

- get back the value of any money you've put into your DC pension pot,

or

- transfer the value of any money you've put into your DC pension pot (or paid in by your employer though salary sacrifice in place of your contributions) to another registered pension scheme or qualifying overseas scheme, such as your new employer's pension scheme or a personal pension plan.

30 days or more of qualifying service...

You can either

- leave your money invested in your DC pension pot,

or

- take benefits from your DC pension pot if you're age 55 or over,

or

- transfer the total value of your DC pension pot (including the value of your employer's contributions) to another registered pension scheme or qualifying overseas scheme, such as your new employer's scheme or a personal pension.

If you are thinking of taking a transfer to a qualifying recognised overseas pension scheme (known as a QROPS), you may be subject to a 25% tax charge if certain exemptions don't apply.

If you don't tell the HSBC Administration Team what you'd like to do with your DC pension pot within three months of leaving the Scheme, it will remain in the Scheme.

Your options explained

Receive a payment

For members with less than 30 days' qualifying service only

You can get back the value of any money you've put into your DC pension pot.

This does not apply if contributions have been made by your employer through salary sacrifice in place of your contributions.

Any payments made are subject to tax and any other statutory deductions.

If you'd like a payment, you'll need to complete the enclosed **Payment Request form**. The payment will be processed within three months of the HSBC Administration Team receiving your form. HSBC Payroll will be responsible for making the payment to you.

Transfer the value of your DC pension pot

For members with less than 30 days' qualifying service

You can transfer the value of any money you've put into your DC pension pot to another pension scheme. This includes contributions made by your employer through salary sacrifice in place of your contributions.

If you don't tell the HSBC Administration Team within three months of leaving the Scheme that you'd like to transfer your benefits, you will automatically receive a payment of the value of any money you've put into your DC pension pot. (See under 'Receive a payment'.)

For members with at least 30 days' qualifying service

You can transfer the total value of your DC pension pot (including the value of your employer contributions) to another pension scheme.

Please note:

Whatever your length of qualifying service, if you choose this option you need to complete and return the **Transfer-out Request form**. A transfer can take up to three months (and occasionally longer) to be completed. If you do transfer, no further benefits will be paid to you from the Scheme.

Once the **Transfer-out request** form has been received and processed by the HSBC Administration Team, you'll be sent the **transfer value quotation**. This will give you all the information you need to progress your transfer.

Things to consider...

- The transfer value provided in your statement represents the value of your DC pension pot at the date of calculation and is not guaranteed.
- Before you progress your transfer-out request please make sure that the receiving plan will accept the transfer. Transfers can only take place if the receiving plan is legal and compliant with HM Revenue and Customs requirements.
- It's recommended that you talk to an IFA before you choose to transfer any benefits out of the Scheme.

Taking your DC pension savings

If you're aged 55 or over and thinking of taking benefits from your DC pension pot please contact the HSBC Administration Team for a quotation and more information.



Leave your DC pension pot in the Scheme

For members with at least 30 days' qualifying service

You can leave your DC pension pot in the Scheme, where it will continue to be invested in your chosen funds (instead of taking a transfer).

If you choose this option you'll need to let us know if you change your address and/or email address, so that we can keep you updated with Scheme news and contact you when you get close to your target retirement age. For further details about how to keep your personal details up to date, see page 5.

Review and change your investments and retirement age

You can change how your money is invested and change the age you want to target to take your DC pension pot (set at 65 unless you tell us a different age) by logging on to **My Pension**. You're able to make up to 12 free switches a year – if you make any more there may be a charge.

Whatever decision you make isn't a one-off. It's something you should review regularly especially as you get closer to the age when you want to take your DC pension pot, or as your personal circumstances change.

The guide 'Your DC pension pot – your investment choice' gives you an overview of the five options for investing your DC pension pot and provides further information about investments. Go to www.futurefocus.staff.hsbc.co.uk/deferred-dc-home/library

How you could use your DC pension pot

You can use your DC pension pot any time from age 55 up to 75 in any way you like. What you do will depend on your personal circumstances.

At the date of this leaflet, you can:

- take a tax-free cash sum which is currently up to 25% of your DC pension pot (up to the LTA) and use the rest of your DC pension pot to buy an annuity (see below)
- receive a lump sum if your DC pension pot (and the value of any other benefits you have in the Scheme) is less than £10,000. The first 25% will be tax free and the rest taxed at your marginal rate of income tax
- use some or all of your DC pension pot to buy an income (called an annuity) with a provider of your choice
- take all your DC pension pot in one go as cash. You can take 25% (up to the LTA) as tax-free cash and the rest would be taxed at your marginal rate of income tax
- transfer your DC pension pot out of the Scheme to a provider who offers you the facility to draw down income (also called 'flexi-access drawdown'), or to take multiple cash sums.

If you're interested in knowing more about these options, your member guide 'Knowing your DC pension pot' tells you more. You can find the guide on www.futurefocus.staff.hsbc.co.uk/deferred-dc-home/library



HSBC pays most of the fees

HSBC pays the administration and investment management fees for all the investment options available. Because of that, you can get the most out of your DC pension pot.

Depending on the fund you choose, there may be other investment charges which are included in the price of the fund.

'Cash out' and 'draw down' **DO NOT** give you a guaranteed, regular income.



Other considerations

Benefits if you die

If you die before you retire, the total value of your DC pension pot (including the value of your employer's contributions) will be paid as a lump sum at the Trustee's discretion. (See 'Keep in Touch' on page 5 for details about keeping the Trustee informed.)

AVCs

If you've paid AVCs, the value of these will be included in the total value of your DC pension pot.

Lifetime Allowance (LTA)

If you build up a large amount of pension savings over your lifetime, you may reach what is known as the 'Lifetime Allowance (LTA)'. This amount includes the value of your pension entitlement

that you've built up across all registered pension schemes that you've been a member of, not just the Scheme. If your savings exceed the LTA you may have to pay a tax charge on the excess unless you have protection. The LTA for the tax year 2017/2018 is £1 million.

It's important that you keep track of all the benefits you're building up, not just the savings you have in the Scheme. Ultimately, you're responsible for checking your benefits against the Lifetime Allowance.

If you think you might be affected, you should contact an Independent Financial Adviser; see opposite for more details of how to find a local Independent Financial Adviser.

When you retire, if you've chosen to leave your savings in the Scheme you

may need to confirm whether you have any pension benefits from other schemes. You will also need to tell us if you have any form of LTA protection.

Money Purchase Annual Allowance (MPAA)

Taking all your DC pension pot (and any other money purchase or DC savings you have) as cash, opting for 'flexible drawdown' or taking reducing annuities when you're over age 55 (see pages 14-15, of your member guide 'Knowing your DC pension pot') may trigger a reduced Annual Allowance, the MPAA, for any future DC contributions to money purchase Schemes.

The MPAA limit is currently £10,000 for the tax year 2017/18 and any DC pension pot contributions (or contributions to other money purchase schemes) you or your employer make that are over the limit will be subject to a tax charge.

If you're not sure, you can get help.

Get financial advice

The Trustee and your employer can't give you any financial or investment advice. If you're not sure you could speak to an Independent Financial Adviser. To get help finding one, go to:

www.moneyadvice.service.org.uk/en/articles/choosing-a-financial-adviser

There's also The Pensions Advisory Service who you can contact through your local Citizens Advice Bureau or directly at:

www.pensionsadvisoryservice.org.uk

Free and impartial guidance

When the time comes, you choose how to use your DC pension pot. Pension Wise is a service backed by the Government. It offers free and impartial guidance to help you think about how to make the best use of your DC pension pot. You can access Pension Wise at www.pensionwise.gov.uk. Once you are aged 50 or over, you can arrange an appointment with Pension Wise.

The appointments can be by phone or face-to-face. Telephone appointments can be booked by ringing **0800 138 3944** or **+44 20 3733 3495** if outside the UK. Face-to-face appointments can be booked by calling your local guidance provider; see here for the relevant contact details: Go to: www.pensionwise.gov.uk/book-face-to-face

You should access the guidance and consider taking independent advice to help you decide which option is most suitable for you.





Keep in touch

It's essential that the Trustee has up to date information about you and your dependants. If any of the personal details in your statement are wrong, or if your personal circumstances change; for example, if you get married or register a civil partnership, have children, get divorced or move house, you need to let us know.

You should also check that your death benefit nominations are up to date so that we know who you would like us to pay any benefits to if you die.

You can make your changes by logging on to **My Pension** – see section 'Getting online to My Pension'.

The Trustee wants to keep you up to date with Scheme news. Tell us your email address and we'll be able to do this quickly and easily – go on to **My Pension** to let us know what it is.

Help and information

Getting online to My Pension

Log on to **My Pension** anytime, from anywhere. Go to the HSBC pension website: www.futurefocus.staff.hsbc.co.uk and click **My Pension**. You'll need your user ID and password. Your user ID is HSBC followed by your employee ID number (this must be 8 digits) and your date of birth.

Example: If your employee ID is 00001234 and year of birth 1986, your user ID = HSBC000012341986. If you've forgotten your password follow the instructions for 'forgotten password' on screen.

Using your Scheme mobile app

The **My Pension** mobile app gives you hassle free, real time access to your DC pension pot when you're on the move.

You can download 'Track My Pension' from the Apple App Store or the Google Play Store, or use the QR codes opposite for iOS or Android apps.

HSBC Administration Team

If you think that any of the information in this pack is wrong, or you've got any general questions about the Scheme, please contact the HSBC Administration Team at:

The HSBC Administration Team
Willis Towers Watson
PO Box 652
Redhill
Surrey RH1 9AL

Phone: 01737 227575

Email:

HSBCpension@willistowerswatson.com

Apple App Store:



Google Play Store:



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Transfer-out Request form

Please read the information in your leaver pack before completing this form, and please use CAPITAL LETTERS.

Title (Mr/Mrs/Miss/Ms/Other)		First name(s)	
Surname			
National Insurance number		Employee ID number	
Home address			
Daytime telephone/ mobile number		Date of birth	

I am thinking about transferring the total value of my DC pension pot to another registered pension scheme. I authorise Willis Towers Watson to provide all relevant information to the organisation named below.

Name of organisation	
Reference number	
Address and postcode	

Under applicable data protection legislation (the Data Protection Act 1998 as at the date this form is drafted), data is classified as being personal data or sensitive data. The information contained on the form falls under the category of personal data.

By providing the information on this form and signing the declaration set out below, you are giving your explicit consent to the Trustee processing this information for the purpose of providing you with a transfer value in accordance with the fair processing notice set out in the DC 'Knowing your HSBC pension benefits' guide. For the avoidance of doubt, such processing may take place outside of the EEA. However it will continue to be subject to the applicable data protection legislation.

I agree to the Trustee obtaining and processing the information they need to process this form, for the purposes of providing me with a transfer value.

I am aware that without my agreement to the Trustee obtaining and processing this information, they may be unable to process this form and provide me with a transfer value.

Signed		Date	
Full name			

Please return the completed form to:

HSBC Administration Team
Willis Towers Watson
PO Box 652
Redhill
Surrey
RH1 9AL

For members with a DC pension pot in the
HSBC Bank (UK) Pension Scheme

Payment Request form

Please read the information in your leaver pack before completing this form, and please use CAPITAL LETTERS.

Title (Mr/Mrs/Miss/Ms/Other)		Employee ID number	
First name(s)			
Surname			
National Insurance number		Date of birth	
Daytime telephone/ mobile number			
Personal email address	(either external work (in full) or home)		
Home address			

Please complete the boxes below if you would like the payment to be made directly into your bank or building society. Remember to double check that the details provided are correct or we may not be able to pay your benefits. If the boxes are left blank, we will send you a cheque.

Name of bank or building society			
Name of the account holder			
Branch address			
		Postcode	

Continued over

For UK accounts

Account number	
Sort code	
Building society roll number (if applicable)	

OR

For overseas accounts

Important: if you choose to have your pension paid to an overseas account, you may incur additional bank charges. The Group/Trustee is unable to meet these costs.

International bank account number (IBAN) <small>(needed for accounts in the European Union apart from the UK)</small>	
BIC or SWIFT number	
Local clearing code <small>(needed for all accounts outside the European Union)</small>	

For tax purposes, are you a UK resident? Yes No

I would like to take a payment of my DC pension pot built up from any pension contributions I have made through salary sacrifice and any not through salary sacrifice. I understand that once I have been given a payment, no further benefits will be paid to me from the Scheme.

Under applicable data protection legislation (the Data Protection Act 1998 as at the date this form is drafted), data is classified as being personal data or sensitive data. The information contained on this form falls under the category of personal data.

By providing the information on this form and signing the declaration set out below, you are giving your explicit consent to the Trustee processing this information for the purpose of paying you your DC pension pot in accordance with the fair processing notice set out in the DC 'Knowing your HSBC pension benefits' guide. For the avoidance of doubt, such processing may take place outside of the EEA. However it will continue to be subject to the applicable data protection legislation.

I agree to the Trustee obtaining and processing the information they need to process this form, for the purposes of paying me my DC pension pot.

I am aware that without my agreement to the Trustee obtaining and processing this information, they may be unable to process this form and pay me my DC pension pot.

Signed		Date	
Full name			

Please return the completed form to:

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PO Box 652
Redhill
Surrey
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