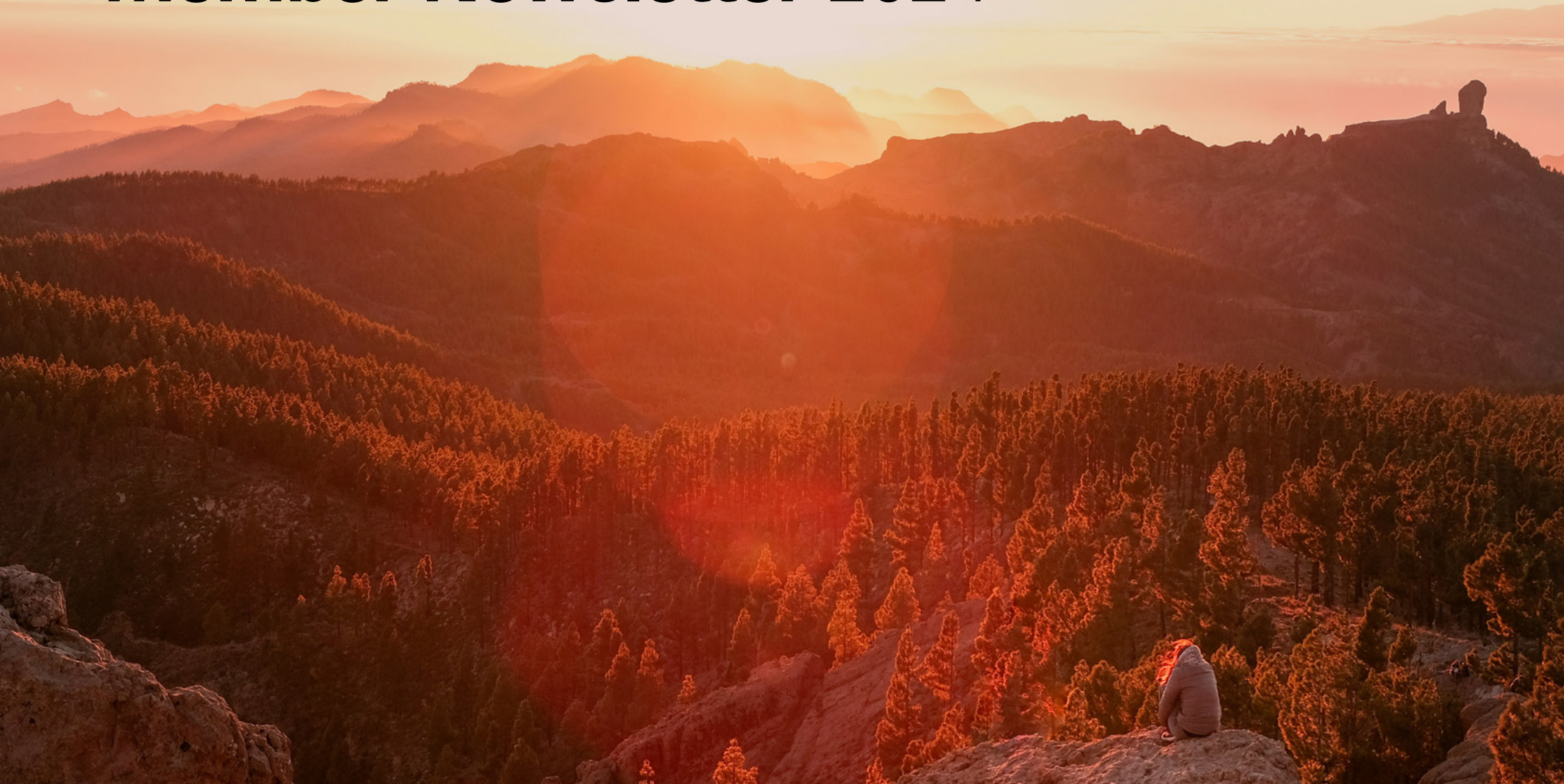


# Member Newsletter 2024 >





# Welcome

## A welcome message from your Trustee Chair – Russell Picot

**Welcome to the 2024 edition of the HSBC Bank (UK) Pension Scheme (the Scheme) newsletter. I am pleased to have the opportunity to update you on the work of your Trustee Board over the year. There is much to tell you about the projects we have completed. The important changes to the Scheme's DC investment options are a good place to start.**

### Updating our Targeted Investment Strategies

The Trustee Board is always looking for ways to improve outcomes for members with a DC pension pot. In July this year, we were pleased to successfully complete our project to introduce a new four fund approach for the Scheme's three Targeted Investment Strategies (the Flexible Income Strategy, the Annuity Purchase Strategy and the Lump Sum strategy). The majority of our members with a DC pension pot are invested in one of the Targeted Investment Strategies so this was an important change for the Scheme.

Each of the Targeted Investment Strategies will now use four new investment funds called the Early Growth fund, the Late Growth fund, the Approaching Retirement fund and the Through Retirement fund. The mix of these investment funds will gradually change based on the time to members' Target Retirement Age. Each of these funds will use a blend of different kinds of investments.

The Early Growth fund includes a new type of DC investment called private markets. It will hold investments such as infrastructure projects (for example renewable energy sources,

building schools, hospitals, roads, bridges, power plants and telecommunication networks), real estate, private credit private equity and natural capital.

We have introduced this new type of DC investment with the aim of accessing a broader range of more sophisticated and diversifying investment opportunities in the Targeted Investment Strategies. This was a significant project with support from across the Pension Scheme Executive (the PSE team) as well as our Scheme advisers and service providers. I'm delighted for our Scheme to take this step, improving expected member outcomes by targeting better risk adjusted returns through diversifying the assets in which members' savings are invested.

### A regular update on our work to manage environmental, social and governance (ESG) risks

Earlier this year, we published our second Environmental, Social and Governance or ('ESG') Bulletin. In this issue, we told you more about our ESG priorities covering climate change, biodiversity and nature related risks, including antimicrobial resistance, and diversity, equity and inclusion. We set out more detail on the relevance of these ESG risks and opportunities for the Scheme's investments and members, giving an update on what we are doing about them and the engagement on these issues. If you haven't yet read our latest ESG Bulletin, you can find it on the Managing ESG risks page. Go to "The Scheme" drop-down menu at the top of the landing page on [futurefocus](https://futurefocus.staff.hsbc.co.uk) <https://futurefocus.staff.hsbc.co.uk>.

The Trustee continues to work hard to manage the climate risk and opportunities for the Scheme. The Trustee's latest climate disclosure, named the Taskforce for Climate-related Financial Disclosures ("TCFD") Report, is now available on [futurefocus](https://futurefocus.staff.hsbc.co.uk). The full report, along with a summary aimed specifically at members, can also be found in the Information Centre in the "Other Information" tab on [futurefocus](https://futurefocus.staff.hsbc.co.uk) <https://futurefocus.staff.hsbc.co.uk>.

### Changes on the Trustee Board

Finally, this year brought additional changes to the membership of the Board. We said goodbye to Ann Ling and Stuart White. I would like to thank them both for their excellent work in helping us to manage the Scheme over the years. We welcomed Tony Bloomfield to the Board, who joined as a Bank Nominated Director as well as Bradley Burk who joined as a Member Nominated Director. You can find out more about Tony and Bradley and their roles on the Board on page 11.



# Reflections on 2023/2024

An update from your Trustee Chief Executive Officer – Lisa Young-Harry

**The Pension Scheme Executive ('PSE' team) aims to manage the Scheme in a way that reflects best practice, ensuring risk is managed appropriately, meeting legislative requirements and keeping you, our members, well-informed about your benefits as well as all the new initiatives that we work on during the year.**

## **A focus on investment education**

This year, we have spent time focusing on supporting our members to understand their DC investment options and the recent changes that we have made to them.

We started in April 2023 by asking a group of 10,000 members to tell us whether they had any questions about their DC investments. We had a great response. We looked at all the questions we received and thought about how best to answer those that were most frequently asked by our members.

In October 2023 we issued a short guide which sets out the answers to five important questions including "How do I know which investments are right for me?" and "Can the Trustee ensure funds are safe from future economic crashes?"

The guide included a simple video which explains how the three Targeted Investment Strategies work, including how and why they change the investment mix used for your DC pension pot over time. You can find the video and guide on the "manage your investments" page of futurefocus <https://futurefocus.staff.hsbc.co.uk>.

Following this initial work to answer members' DC investment questions, we then started the project to update the Targeted Investment Strategies. As part of this project, we wrote to members to tell them all about the new four fund approach, providing a letter, a guide and an explainer video.

We also took the opportunity to update some of our key member communications. You may have noticed that we now have a new look investment page on the Scheme website, futurefocus, which is designed to make it easier for you to find key information about your investment options. It hosts two simple investment explainer videos as well as a refreshed DC investment guide which provides more information about the Targeted Investment Strategies and the new four fund approach.

## **Making sure we communicate in a way that suits you**

The PSE team has worked closely with our members for many years and we know that the Scheme has a large and diverse membership, who often have different communication needs and learning styles. Some members prefer to receive Scheme information in hard copy and so over the year, we have worked to develop materials and campaigns that provide helpful updates and information for our members who have opted out of receiving digital communications like our regular email nudges.

In 2025, we will be issuing our next Scheme membership survey which will include some questions for our members designed to help us to understand more about your communication preferences. Look out for more information on this in the coming months.

## **Changes in the PSE team**

Finally, we said farewell to two long serving, important members of the PSE team this year, Mike Dane has worked in the PSE for over 36 years and Isabel Harp for over 40 years. It has been a real pleasure to work with both Mike and Isabel and I know they will be missed by all the PSE team. I would like to take the opportunity to thank them for all their hard work over the years.

We have also welcomed Matt Pearson to the team as the new Member Administration Manager. Matt will work closely with our Scheme Administrators, WTW and Equiniti, helping the PSE to manage their services to ensure member benefits are always accurate and paid on time.



# Communicating with you

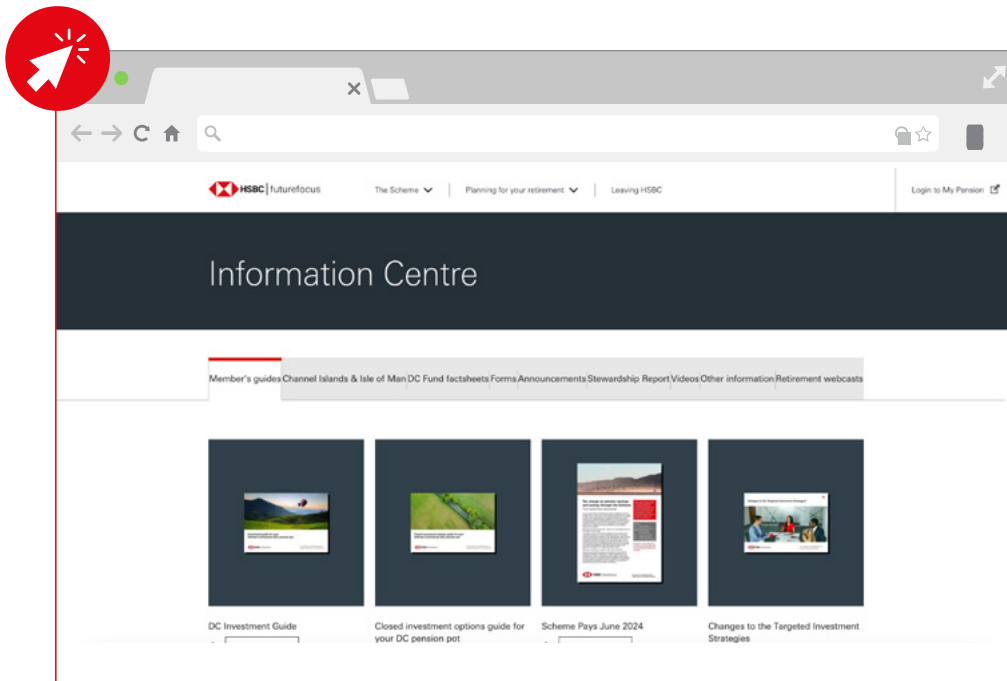
## A new Information Centre on futurefocus

Our Scheme website, futurefocus, is your trusted first port of call for information about your Scheme benefits.

It provides a wealth of information and useful tools to help you to understand how the Scheme works and to plan for life after work. We are always working to improve and add new and helpful materials to it.

This year we have been working to update the Information Centre. This is one of the most visited pages on futurefocus. This is because it's where you can find all the Scheme guides, fund factsheets, forms, announcements reports and more.

We are making the new Information Centre easier to navigate so that you can quickly get to the information you are looking for. We will do this by adding a new search facility and a new filtering facility to the page. You will also be able to filter the documents available by member type, document type and year. Look out for the new Information Centre launch later this year!



### Is it time you took a pensions MOT?

As members come to the middle of their careers, they often worry more about their plans for life after work. Some tell us that they are not completely confident that they have a good plan in place for later life.

This is why we have developed our five-step pensions MOT. It can help you to complete a check-up of what you already have saved and think about whether to consolidate some of your pension savings. It can also help you to set or update your pension savings target and think about the options available if you need to fill a pension saving gap.

You can access the MOT guide at any time. Go to <https://futurefocus.staff.hsbc.co.uk>. The guide is in the Information Centre in the "member guides" tab.



Your mid career  
Pensions MOT



For Defined Contribution members of the HSBC Bank (UK) Pension Scheme (the Scheme)

Over the coming months we will also be issuing our second retirement podcast which will provide more help for mid-career members. During 2025 we will be working on a dedicated mid-career futurefocus page to help members. Look out for this!

### Keeping your email address updated

The Trustee wants to keep you updated with news about the Scheme. We also need to contact you from time to time about your DC pension pot. We aim to use email whenever possible because this is the quickest and most environmentally friendly way to get in touch.

If your email address changes, you can let us know by going online to <https://futurefocus.staff.hsbc.co.uk> and clicking Login to My Pension which is in the right hand corner, then go to the My Details menu and choose the contact preferences dropdown.

# Communicating with you

## Continued...

### A new retirement modeller

Some members have told us that they would like a simpler retirement modeller, to help them with their planning. We have been listening. In August, we launched a new retirement modeller that you can find by logging into My Pension and choosing "My Projected Pension".

The new modeller can help you think about how much you should be saving for retirement as well as what kind of retirement income you might want to take. Members often tell us that it's hard to work out how much to save for retirement, because they are now sure how much they will need to live on.

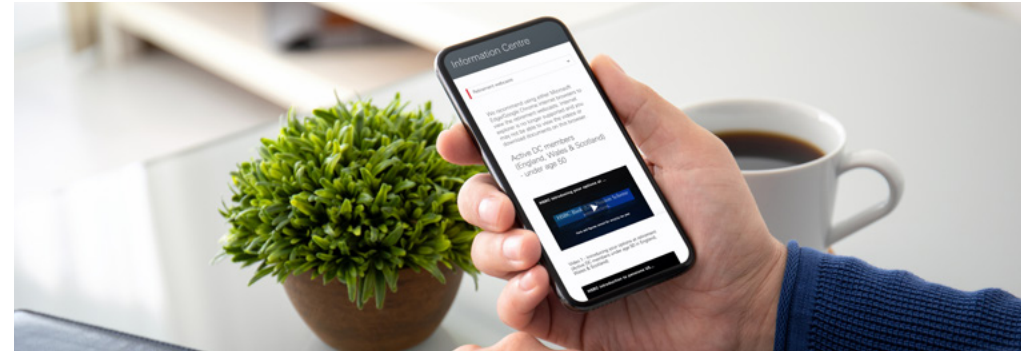
The new modeller includes the Pensions and Lifetime Savings Association's Retirement Living Standards to help you <https://www.retirementlivingstandards.org.uk/>. These shows what life in retirement looks like and might cost at three different income levels. Each income level is based around a particular retirement lifestyle – "minimum," "moderate" or "comfortable". It also takes into account different circumstances (living inside or outside London). It gives you a real sense of what you will be doing and how you could be spending your money when you finish work. It has recently updated its estimates.

# £31,000

Roughly speaking, a single person will need about £31,000 a year to achieve a moderate living standard and £43,000 a year for a comfortable living standard.

For couples, it's £43,000 and £59,000.

**Why not log in to My Pension and access the modeller today!**



### Our programme of retirement and pension seminars

Retirement seminars have been available for our active and deferred DC members aged 50 and over for a few years. Following the success of these seminars, we launched a new pilot of seminars for younger DC members between age 40-49.

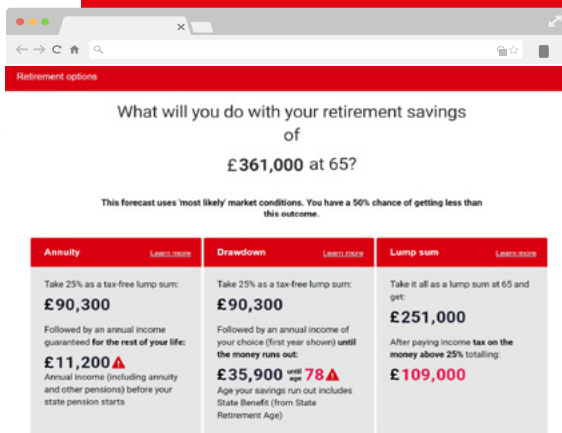
These seminars are designed to our help younger members to understand their HSBC pension and to think about savings for the future. They tell you more about the basics of how pension savings work, why it's important to save for the long term and the Scheme investment options. The feedback from attendees shows that the pilots were very popular and so we launched this service to all active DC members between age 40- 49 in January. Look out for your email invitation and if you haven't already attended, it's worth 90 minutes from your day.

We have also added new webcasts on the information centre for younger members. These

provide lots of helpful information about the basics of how the Scheme works and the Scheme's benefits and options. We make sure all our webcasts are regularly updated. You can find all our webcasts by going to <https://futurefocus.staff.hsbc.co.uk/>, going to the information Centre and choosing the Retirement webcast tab.

Earlier this year we reviewed the length of our retirement webcasts and concluded that some of them were a little too long and covered too many topics. We decided that they would be easier to access if we shortened and split them up into more bitesize chunks. We are currently working to update the webcasts so that they are no more than 3-4 minutes in length.

We are also creating a new page on futurefocus where you will be able to find all the webcasts and filter the webcast options based on your member type and location. We will let you know when the new webcasts and webcast page are available on futurefocus, look out for an email nudge!



The projections are in today's values and based on your current situation.

# Pension Scams, we are all at risk

Pension scammers use many different tactics to steal money from their victims.

Their methods are becoming more sophisticated and with a variety of scams now being used, more and more pension savers are at risk. Around 50% of people think they would never fall for a scam, despite the evidence to the contrary. We all need to be on guard for scams so it's well worth knowing how to spot a scam and taking these simple steps to protect yourself:



## Simple steps to protect yourself from a scam

- 1 Reject unexpected offers
- 2 Check who you're dealing with
- 3 Don't be rushed or pressured
- 4 Get impartial information or advice

**Be ScamSmart with your pension, if you suspect a scam, report it.  
To find out more, visit [www.fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)**

Report to the Financial Conduct Authority (FCA) by contacting their Consumer Helpline on 0800 111 6768 or using the reporting form at [www.fca.org.uk](https://www.fca.org.uk)

Report to Action Fraud on 0300 123 2040 or at [www.actionfraud.police.uk](https://www.actionfraud.police.uk)





# Regulatory changes

## Important updates for members

### New lump sum allowances

The Lifetime Allowance (LTA) was the maximum amount that someone could save in their pension and take without incurring additional tax. The LTA has now been abolished and replaced by two new lump sum allowances. From 6 April 2024, the total amount of your pension savings (across all your pension schemes) that can be paid as tax-free lump sums will be limited by the Lump Sum Allowance and the Lump Sum and Death Benefit Allowance.

#### The Lump Sum Allowance

The Lump Sum Allowance is a limit on the total amount of tax-free cash you can take at retirement. It is currently set at **£268,275** for most people, although you may have a higher allowance (for example, if you hold an LTA protection). If the total amount of tax-free cash lump sum(s) across all your pension schemes (including from defined benefit schemes) exceeds your available Lump Sum Allowance, you will pay income tax on the excess amount at your marginal rate.

#### The Lump Sum and Death Benefit Allowance

The Lump Sum and Death Benefit Allowance is a limit on the total amount of tax-free lump sums payable at retirement, on your death or in cases of serious ill health. It is currently set at **£1,073,100**, for most people, although you may have a higher allowance (for example, if you hold an LTA protection). If the total tax-free lump sums and death benefits paid out exceeds your available Lump Sum and Death Benefit Allowance, the recipient will pay income tax on the excess amount at their marginal rate.

The amount of these new allowances that you have available, when your benefits are paid from the Scheme, may be reduced if you have already received a tax-free cash lump sum from one of your pension schemes or if you started to receive benefits from one of your pension schemes before 6 April 2024.

If you have received any benefits before 6 April 2024 we are required to calculate your available allowances on the assumption you took the maximum amount of tax-free cash that you could when you took your benefits. If you took less tax-free cash than this, you may benefit from applying for a Transitional Tax-Free Amount certificate. For more information, please contact the HSBC Administration Team.



# Regulatory changes

## Continued...

### The changes to the Minimum Pension Age

The minimum pension age from which a member of a UK pension scheme can take their benefits is changing. This article gives you some more information about this change and where you can find more information.

The minimum pension age will rise from age 55 to age 57 from 6 April 2028. This change has been made by the Government to coincide with a planned rise in the State Pension Age.

The effect of this change on when you can take your DC pension pot from the Scheme will largely depend on when you were born:

- **If you were born before 6 April 1971**, the rise in the minimum pension age will have no impact on you as you will be age 57 before the change occurs.
- **If you were born between 6 April 1971 and 5 April 1973**, you will still be able to take your DC pension pot from age 55 provided you take this before 6 April 2028. If you haven't taken your benefits before 6 April 2028 then, as things stand, you will need to wait until your 57th birthday before you can take them (unless you have what is called a "Protected Pension Age" – see opposite).
- **If you were born after 5 April 1973** - you will have to wait until your 57th birthday to take your DC pension pot (unless you have what is called a "Protected Pension Age" – see opposite).

Different rules apply if you need to take your DC pension pot early due to ill health, in which case, you may still be able to take your DC pension pot before age 57 if you meet the relevant requirements.

The Scheme is currently considering these changes in further detail and will provide more information to members in due course. An FAQ document which provides further information on these changes has been uploaded onto the Information Centre in the "other information" tab. You can visit <https://futurefocus.staff.hsbc.co.uk> to find this and this will also tell you how to contact us if you have a question about the changes.



### Protected Pension Age

If you have a Protected Pension Age this would allow you to take your DC pot from 55 even after the minimum pension age rises to 57.

Not everyone has a Protected Pension Age. This will only be the case if you were an active member of the Scheme's DC Section on 3 November 2021 (but your Protected Pension Age will still apply if you subsequently became deferred after this date). If you left the DC Section before 3 November 2021 or joined the DC Section after this date (and are due to turn 55 after 6 April 2028) you will have to wait until you are age 57 to take your DC pension pot.



# Bank initiatives- supporting Scheme members

## The HSBC Support Fund – help when you need it most

The HSBC Support Fund helps Bank employees past and present, pensioners and their families in financial need.

The Fund, which was set up in partnership with the Bank Workers Charity, is there if you find yourself needing financial support, perhaps due to a change in circumstances. Here's some examples of how the Fund has supported HSBC clients so far:



### A single parent who couldn't afford increased fuel costs

On a low income, she had debts and was waiting for child maintenance payments. Her rent was increased and even with benefits she couldn't afford the cost. The Fund provided a general living expenses grant, getting her back on track. Bank Workers Charity also signposted her to get more help with her utility bills and additional support for her children.



### A colleague with long-term health conditions

On a low income, she was unable to pay for much-needed adjustments to keep her independence and was finding it hard to pay her bills. The Fund provided a grant for a new radiator and its installation, a freezer and an adjustable bed and Bank Workers Charity were able to arrange a care needs assessment, resulting in on-going care.

It's worth remembering, that alongside financial support from the Fund, you can also access the Bank Workers Charity range of wellbeing information, advice and support, like the clients above were able to. Find out more about their full range of support by visiting <https://www.bwcharity.org.uk/hsbc/>

### Are you eligible for a grant?

If you're struggling financially and would like to find out if you're eligible for a grant, call the Bank Workers Charity free and confidential Helpline on **0800 0234 834**. They're open 9am- 5pm, Monday to Friday (except bank holidays), or visit the website to find out more: [bwcharity.org.uk](https://www.bwcharity.org.uk)

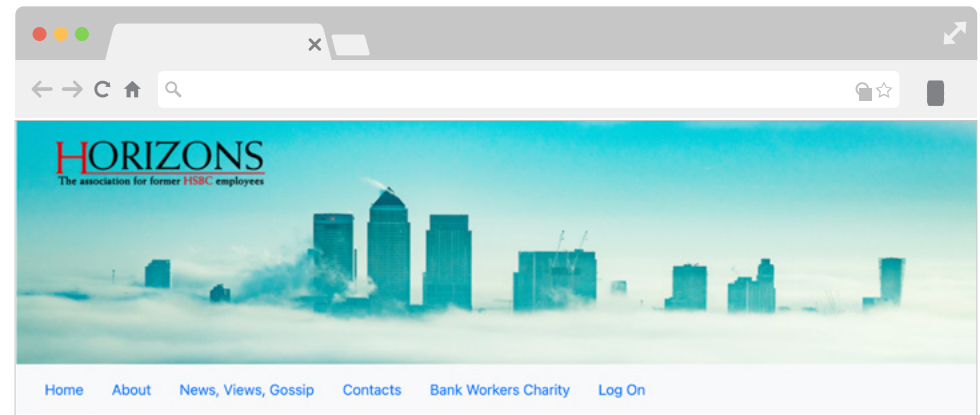


## Keeping in touch with former colleagues

Horizons is an association for former HSBC employees. Over 16,000 members have joined the association. Benefits of membership include the Horizons magazine, a subsidised annual national luncheon and reunion, local social events, access to member discounts and representation as a pensioner group through regional representatives on the Management Committee.

The cost of membership is currently £10.00 per year (subscription cost for Overseas members who choose to receive a printed rather than electronic copy of the magazine is £20.00 per year to cover postage).

If you wish to join Horizons, please email [membership@horizonsmail.co.uk](mailto:membership@horizonsmail.co.uk) to request an application form.



More information can be found on the HSBC support fund page on futurefocus.

If you are an active DC member go to:

<https://futurefocus.staff.hsbc.co.uk/active-dc/hsbc-support-fund>.

If you are a deferred DC member go to:

<https://futurefocus.staff.hsbc.co.uk/deferred-dc/hsbc-support-fund>.

# Investment update

## Performance of your DC investments

**£7,157m**



The Scheme's DC investments over the year to 31 December 2023



Over the year to 31 December 2023, the Scheme's DC investments increased to £7,157 million.

This was a busy year for the PSE investment team, with two DC investment projects completed successfully.

### 1 Launching the new four fund approach

The first was the project to launch the new four fund approach for the Scheme's three Targeted Investment strategies. This was a complex project working closely with Fund Managers and the Scheme's Administration Teams to ensure that the new funds were up and running from July with as short a blackout period as possible, to limit any disruption for members.

The new Early Growth fund used in each Targeted Investment Strategy will include a new type of investment called private markets. This type of investment is designed for members who are further from their TRA and have a longer time period for their investments to grow. It will hold investments such as infrastructure projects, real estate, private credit, private equity and natural capital. The Scheme will buy, hold and sell these new investments and manage them over the long-term whilst ensuring that members will be able to buy and sell their units in the Early Growth fund. The Trustee's aims in introducing private markets investments are to increase diversification in the mix used in the Targeted Investment Strategies, and to help give the DC pension pots (or AVCs) of members further from their TRA more chance to grow.

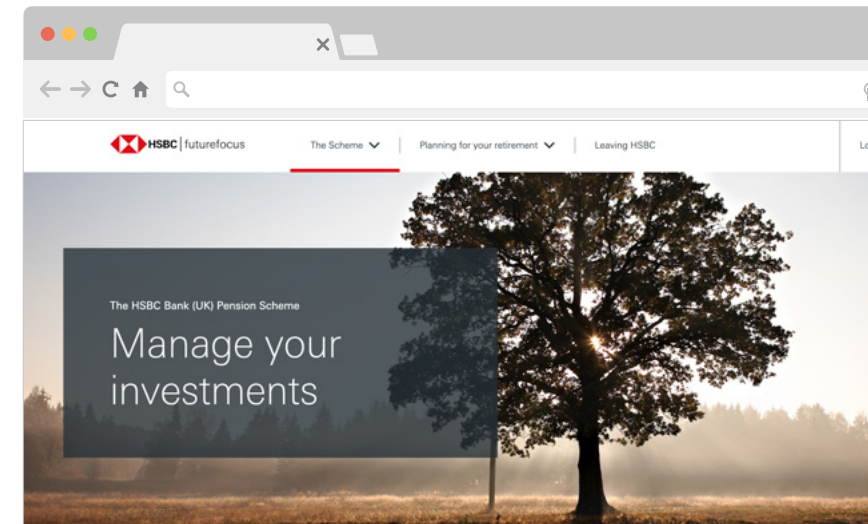


You can find out more about the new four fund approach and all the Scheme's investment options, in the new DC investment guide available in the information Centre on futurefocus.

### 2 Updating the Scheme's older legacy options

The second was a smaller project to update the Scheme's older legacy options, including the Lifecycle 2 investment option. We also wrote to all Lifecycle 2 members to let them know that we would be automatically moving them to the Scheme's current default investment options and to give them the choice to keep their savings invested in Lifecycle 2.

The project was a success and most members are now invested in the Scheme's current default investment options.



The Scheme provides a wide range of investment options and the Trustee invests your DC pension pot in line with your investment choice(s). If you don't make your own investment choice, for most members, the default option for your DC pension pot and any future contributions is the Flexible Income Strategy. You can make up to 12 changes to your DC investments per year free of charge. The value of your DC pension pot is not guaranteed and will rise and fall in line with the price of the investment funds used for your investment choice.

It is also worth noting that your Target Retirement Age (TRA) is important and you should regularly review the age at which you've chosen to take your benefits. This is because the automatic changes to the investment mix used by the targeted strategies (and the former Lifecycles) are based on the period to your TRA. If you don't make a choice then the Trustee will set yours at 65.

# Governance update

## Trustee Board update



<https://futurefocus.staff.hsbc.co.uk/trustees>

Changes to the Trustee Board structure were introduced on 01 April 2024. The Trustee Board comprises the following individual Trustee Directors;

Name	Position	Date of appointment/ re-appointment
------	----------	--

### Bank Nominated Directors

Tony Bloomfield	Bank Nominated Director	01 January 2024
Richard Dixon	Bank Nominated Director	01 April 2021
Russell Picot	Bank Nominated Director and Chair	01 January 2022
Hugh Pugsley	Bank Nominated Director	01 March 2024
Andrew Robinson	Bank Nominated Director and Deputy Chair	01 February 2022

### Member Nominated Directors

Lucy Bloomfield	Member Nominated Director	01 January 2023
Bradley Burk	Member Nominated Director	01 April 2024
Beverly Horler	Member Nominated Director	01 April 2022
Steve Towers	Member Nominated Director	12 April 2021

### Independent Trustee Director

Alan Baker	Representing Law Debenture Pension Trust Corporation Plc - Bank Nominated Director	01 February 2022
Martine Trouard-Riolle	Representing Capital Cranfield Pension Trustees Ltd - Bank Nominated Director	23 September 2019

## Meet Bradley Burk and Tony Bloomfield - our new Trustee Directors

Bradley Burk and Tony Bloomfield joined the Trustee Board earlier this year, they tell us about their role and why they wanted to be a Trustees.

### Q: Tony, how do you see your priorities as newly appointed Trustee Director?

I am keen to use my extensive experience of financial markets, risk management, and investment strategies to help ensure that the Scheme continues to be expertly managed. I'm particularly excited to have input into the work that the Trustee does in choosing and monitoring the Scheme's investments and I aim to bring some fresh thinking and new ideas where I can, to help to optimize returns for Scheme members.

### Q: Bradley, why did you want to become a Trustee Director?

I have worked in HSBC's investment banking unit for over 19 years accruing broad experience in the capital markets and an understanding of pension dynamics and risk. I was seeking an opportunity to give back to firm and people I care deeply about, and the role of Trustee ticked all those boxes. I want to ensure that new and younger members fully appreciate the importance of contributing to Scheme. The power of tax efficient saving and compounding returns over many years is so important to our colleagues future financial security, and it should not be overlooked.

Fair outcomes for all of our active, deferred and pensioner members are another of my priorities. Our members entrust the Scheme with their financial futures, so I want to ensure the Scheme is efficiently and effectively administered, and we deliver fair and just outcomes to members within the bounds of the Scheme rules.





# Looking forward, what is next?

Over the coming year, we will be issuing our latest member survey. This will help us to understand more about the support our members need throughout their savings and retirement journey.

We will continue to update futurefocus with important updates and information.





member

# newsletter

2024



## Getting in contact

If you have a general question which you can't find an answer to or you have a query about your benefits, you can contact the HSBC Administration Team at:

### **The HSBC Administration Team**

**WTW**

**PO Box 652**

**Redhill**

**Surrey RH1 9AL**

**Phone: 01737 227575**

**Email: [HSBCpension@willistowerswatson.com](mailto:HSBCpension@willistowerswatson.com)**

### **Legal Note**

This report is based on the Trustee's understanding of applicable law and regulations and does not confer any right to benefits. Members' benefits are governed by the trust deed and rules of the Scheme, as amended from time to time. In the event of any conflict between this Report and the trust deed and rules, the trust deed and rules will always override.

Issued by HSBC Bank Pension Trust (UK) Limited 2024

© Copyright HSBC Bank Pension Trust (UK) Limited 2024

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Bank Pension Trust (UK) Limited. Members of the pension Scheme may, however, copy appropriate extracts in connection with their own benefits under the Scheme. HSBC Bank Pension Trust (UK) Limited, 8 Canada Square, London, E145HQ Registration number: 489775