A blog for Hybrid mid-career members

On my way into work one morning, I saw a poster at the train station encouraging people to bring all their pensions together in one place. Simple. Tidy. Easy. It sounded tempting.

Before I could get into the idea of consolidating my pensions, I realised that I would need to work out where all my pension savings are and how much I have saved so far.

I'm in my mid-40s, and it felt like the right time to get a clearer view of where I stand. Once I pulled everything together, it raised a more fundamental question: are my savings on track for the retirement I want?

Facing a pension savings gap

Using the Retirement Living Standards website, I explored what retirement might look like at different income levels – minimum, moderate, and comfortable. Then I tried the MoneyHelper pension calculator to see how close I am to hitting my goals.

Turns out, there might be a gap.

Here are a few ideas I've been considering:

- **Topping up when I can:** Right now, money's a bit tight – but I plan to increase my pension contributions when I get a pay rise. In the HSBC Scheme, every extra 1% I put in (up to 7%) is matched by the Bank.
- **Delaying retirement:** Even working a year or two longer could give my DC pension pot more time to grow and help close the gap.
- **Going flexible:** When I'm older, I might reduce my working hours instead of fully retiring, using part of my pension to top up my income.

- **Taking less tax-free cash:** Leaving more in my pension pot could give me a higher long-term income. Cash sitting in a bank account loses value over time due to inflation, so I want to think carefully about how much I take out.

Just taking the time to get that clearer picture has helped me feel more in control – and more prepared to make the right decisions going forward.

Should I combine my pensions?

Once I'd looked at how much I'd saved, I started wondering about how my pensions are spread around. That's when that poster at the station really struck a chord. Bringing everything into one place felt like a logical next step.

The appeal of simplicity

One pot, one login, one set of paperwork. Combining pensions could also help reduce fees or give access to better investment options. But as I found on MoneyHelper and our HSBC Scheme website, futurefocus, it's not always that simple – especially for hybrid members.

Hybrid members: what to watch for

As a hybrid member, I've got both a Defined Benefit (DB) pension and a Defined Contribution (DC) pension pot in the HSBC Scheme. If I want to transfer other pensions into the HSBC Scheme, they can only go into my DC pension pot.

Here's where it gets tricky – moving a DB pension means giving up guaranteed income for life, and possibly inflation protection. Once it's gone, you can't get it back. That's why getting financial advice isn't just smart – it's normally legally required.

Look for hidden benefits

Some older pensions come with valuable extras – like guaranteed annuity rates, more tax-free cash, or a protected pension age (age 55 or sometimes earlier). Once you transfer, you might lose these for good. It's worth checking carefully.

Compare your options

Even among DC pensions, the fees, investment choices, and flexibility can vary. The HSBC Scheme covers administration and investment costs, but it's still worth comparing.

If you're thinking about "cashing-out" a small DC pension pot (under £10,000) while continuing to pay into another pension pot, it might make sense not to consolidate everything. Keeping these smaller pots separate can give you more flexibility down the line. You can read more about this on MoneyHelper's website.

Final thoughts

Being a hybrid member means I've got a few extra things to consider, so now that I've read more about my options I can see I need to take the time to get the right answer for me. Bringing my pensions together can offer simplicity and potential savings, but it's not always the best move – especially for anyone with valuable guarantees or benefits in older schemes.

I've found that it was useful to take stock of what I have, weigh up my options carefully, and get proper advice before making any decisions. Just getting a clearer view of my pensions has been a smart step. It has helped me spot a savings gap early– giving me time to top up my contributions, adjust my plans, and think differently about how and when I retire.

Who knows – maybe that poster at the station was just the sign I needed to start planning the future I want.

If you need help to think about consolidating your pension savings, MoneyHelper's Retirement Adviser Directory can help you find a regulated financial adviser.

HSBC | futurefocus

HSBC Bank Pension Trust (UK) Limited, 8 Canada Square, London, E145HQ Registration number: 489775