

# pensions **focus**

Autumn 2017



## **Pensions Focus – bringing you the latest Scheme news**

In this edition of Pensions Focus, we remind you of who runs the Scheme, as well as updating you on what's new. Our aim is to provide engaging and helpful communications and we would welcome any feedback you might have. You can email us at:

**[pensionschemeexecutive@hsbc.com](mailto:pensionschemeexecutive@hsbc.com)**

## **IN THIS ISSUE**

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- New Chair of the Trustee Board
- New to the Scheme?
- Your pension and the tax limits
- Spotlight on investments
- Coming up to retirement?
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# Who runs the Scheme?

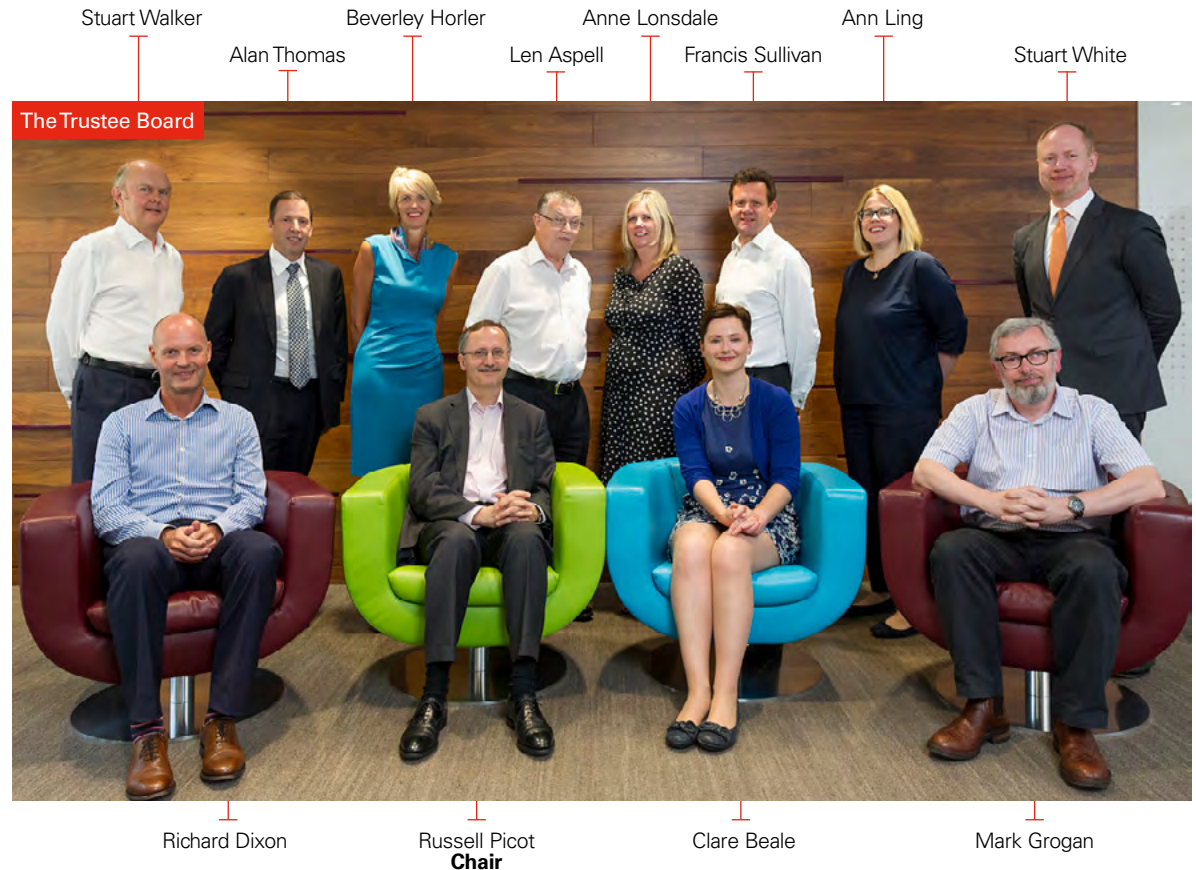
The HSBC Bank (UK) Pension Scheme is run under trust. The Trustee Board is responsible for complying with the Scheme Rules and legislation.

This includes governing the Scheme in the best interests of all the members. Each Trustee Director, whether member nominated (MND) or appointed by the employer, brings their own experience and expertise to the Board.

*Andrew Robinson was not available when the group picture was taken.*



Andrew Robinson



Richard Dixon

Russell Picot  
**Chair**

Clare Beale

Mark Grogan

## HSBC Bank Pension Trust (UK) Limited Pension Scheme Executive

The Trustee Board is supported by the Pension Scheme Executive (PSE). The PSE is responsible for the management of the Scheme, which includes the areas of administration, communication, finance and investments.

Ellen Kelleher  
**Chief Operating Officer**



Elizabeth Renshaw-Ames  
**Chief Executive Officer**



Mark Thompson  
**Chief Investment Officer**



# Meet Russell Picot

## Chair of the Trustee Board

Russell Picot joined the Trustee Board as Chair at the end of 2016. In this issue, he tells us about his role and why he wanted to be a Trustee.

### How do you see your role?

As with any company, the role of the Chair is vital in ensuring the smooth operation of the Trustee Board. We have a strong and dedicated Trustee Board. My role is to help them all play their part in governing the Scheme. However, I am also mindful of the fact that the Scheme is one of the largest in the UK. I see part of my role to make sure we are aware of new developments in the pensions industry and can act as thought leaders.

### What made you want to become a Trustee?

This is my second time on the Trustee Board. I served on the Board as an employer-appointed director for around 15 years, leaving a couple of years ago. I found being a pension trustee very interesting and enjoyable, as well as very worthwhile. I was delighted when I was offered the chance to rejoin the Board, this time as Chair. I believe that, as trustees, we can make a real difference to the experience our colleagues have in their retirement.

### What skills and experience do you bring to the role?

My background is in finance. I joined HSBC in 1993, having worked for one of the big accountancy firms, KPMG, for 14 years, including a secondment to the Bank of England. I became a General Manager in the HSBC Group in 2003, and was Group Chief Accounting Officer. I therefore have a solid grounding in finance. I am also a director of a large Defined Contribution (DC) Master Trust – allowing me to gain in-depth, first-hand experience of pure DC arrangements. All this experience informs my work on the HSBC Trustee Board.

### What do you do in your spare time?

I have been very lucky in my choice of career and I want to give something back. So, in my spare time, I mentor a chief executive officer of a small charity, acting as a sounding board for them and providing practical, hands-on support. I also am involved in a charity that works to introduce chess into primary schools, particularly in deprived inner-city areas.



“ We have a strong and dedicated Trustee Board. My role is to help them all play their part in governing the Scheme. ”

# We're listening

To make sure we are giving you what you need to be able to make informed decisions about your pension plans, we need to listen to you.

This is why, at the end of last year, we set up Your Voice.

Your Voice is a community of around 100 active members from all across the country, who have volunteered to act as a sounding board for us. At our first face-to-face sessions we focused on the websites – **futurefocus** and **My Pension**, as providing information to you electronically is central to our goal of helping you to engage with the Scheme. The feedback we gathered gave us some really helpful suggestions as to how the websites could be improved.

We are currently working on bringing **futurefocus** up-to-date, and then we will be looking at implementing some of the suggestions put forward.

The last set of face-to-face sessions started in May, on the subject of investment choices. The findings will help us shape the investment policy in the future. See page 5 for more information on this.



## knowYou

If you'd like help to find out more about pensions and other financial issues such as protecting your family and possessions, try the interactive website, **Know You**.

**Know You** offers helpful tips, practical guidance, expert insights and your colleagues' experiences. You will also find a range of videos and modelling tools.

 [www.knowyou.staff.hsbc.co.uk](http://www.knowyou.staff.hsbc.co.uk)

## How well are we helping you to make informed decisions?

We would like to get an idea of how well we are helping you to make informed decisions on your retirement savings. Click the link below to give us your feedback.

 <https://tinyurl.com/pensionsfocus17>

# Spotlight on investments

## DC Investment Offering Review

This year, the Trustee is conducting a review of the HSBC DC Investment Offering.

The Trustee undertakes this review every three years. The review covers:

- what the default investment strategy is for members who do not make a selection themselves
- the investment lifecycles on offer
- the range of individual DC funds available to members.

To help with the review, we organised a number of DC member panels around the country to seek your views. We also invited all DC members to complete an investment questionnaire. Many thanks to all of you who attended the panels and/or completed the questionnaire. The feedback forms an important part of the review.

The results of the review should be available at the end of 2017 and we will write to you again to let you know if anything is going to change.

The Trustee has also reviewed the external DC Adviser this year and has appointed Lane Clark & Peacock (LCP) as its new DC Adviser. LCP will take a prominent role in the 2017 DC Investment Offering Review.

## Our ESG investment policy

Section 5 of our Statement of Investment Principles includes the area of environmental, social and corporate governance issues, referred to as the Trustee's ESG policy.

When choosing investment managers to invest the assets for the Scheme, the Trustee makes sure that environmental, social and corporate governance factors are incorporated into the selection process but always consistent with its fiduciary responsibility. The risk of climate change, in particular, is a major factor when it comes to the Trustee's ESG policy. The Trustee expects that its investment managers take account of climate change risks and opportunities within their investment processes, and annually report on how these have been incorporated into their investment process. Generally, the Trustee prefers to engage with companies, rather than excluding them from the process – that is to work with companies to help them develop plans to cope with this risk, rather than disinvest automatically. However, the Trustee's fund managers will ultimately remove them from the Fund's investments if no improvement is made in these areas.

When reviewing the Scheme's Global Equities – passive fund last year (the fund is the main investment for DC pension pots where the member has not stated their investment choice) the Trustee chose to work with Legal & General Investment Managers (LGIM) to develop a mainstream global equity fund that explicitly tilts towards companies who are committed to the transition to a low carbon economy. The new fund, LGIM's Future World Fund, engages directly with the major companies in which the Fund invests, to make sure that those companies are properly addressing the risk of climate change by making progress towards a low carbon economy.



### The DC investment offering has won a number of awards in 2017:

- Responsible Investor Awards 2017 Asset Owners demonstrating Innovation and Industry Leadership
- Professional Pensions Best DC Investment Strategy 2017

# Interacting with the Scheme

We want to make sure you have the information you need to help manage your Scheme membership.

This is why we have set up and continue to develop our website, **futurefocus**. On **futurefocus** you can access all the information you need to plan your retirement.

**New to the HSBC Pension Scheme? Need a refresher?**

Help is at hand with our **Quick Start Guide**. This sets out the three stages in the life of your DC pension pot, and how to get further information when you need it.

**How does my DC pension pot work?**

We have produced **three short videos** to explain how your DC pension pot works.

**How can I check the value of my DC pension pot?**

Visit **My Pension** which you can reach through **futurefocus**.

**How can I change my investment choices or increase my contributions?**

If you are logged onto the HSBC network, you can find **My Pension** via the links on **futurefocus** or My Choice. The system will recognise you. Otherwise, see page 11 of this newsletter for more details.

**I'm a hybrid member. How can I check the amount of my DB pension?**

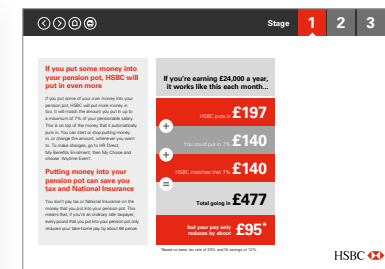
**How can I use my DC pension pot in retirement?**

The rules on pension saving changed from 6 April 2015. You no longer have to use your DC pension pot to buy a pension (an annuity). Instead, you can choose to take it all as cash, or withdraw money over a period of time. See the **Spring 2015 newsletter** or the **member guide – Knowing your DC pension pot** for a reminder.

**Are there investment options geared towards how I'd like to use my DC pension pot?**

Yes, the 'Lifecycle' options are tailored towards the way you'd like to take your DC pension pot. For example, Income Lifecycle is geared to using your DC pension pot to buy a pension, where as Capital Lifecycle is geared towards withdrawing money over a period of time.

You can find a reminder of these options in the **Investment Guide – Your DC pension pot – your investment choice** and the **Winter 2015/2016 newsletter**.



Where we have your email address, we will be using this to communicate Scheme updates to you. You can let us know whether you would prefer to have communications printed and sent to you. To set this preference, go to **My Pension** and look under the 'My Preferences' tab.



# Your pension and the tax limits

Saving through the Scheme is a tax-efficient way of building up an income for retirement for most employees.

However, the Government sets limits on both the amount that can be saved in any one tax year (known as the Annual Allowance) and the overall amount of benefits you can build up until you take payment of your benefits (the Lifetime Allowance). Go over those limits and there may be additional tax charges to pay.

The limits apply to all savings from all pension arrangements – and we don't know what other pension savings you may have. So it really is worth checking your position, particularly if you have savings in other pension arrangements.

We've produced a guide called 'Scheme Pays', to explain the Annual Allowance and how you can pay related tax charges if this affects you. You can find it in the library section of **futurefocus**, under 'Guides'.



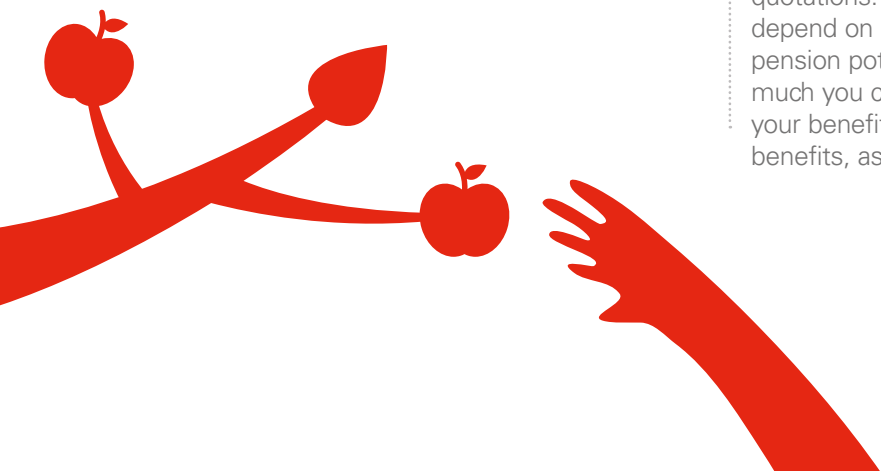
The member guide – Knowing your DC pension pot – is the place to go for more information about the Lifetime Allowance. If you are over the Lifetime Allowance, you can apply for something called 'Individual Protection 2016'. This protects your Lifetime Allowance to the lower of the value of your pension(s) at 5 April 2016 or £1.25m as long as the value is over £1m. You can now apply for Individual Protection 2016 via HMRC's Government Gateway. Go to <https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance> to find out more.

# What might my DC pension pot look like when I come to retire?

We are required by law to provide DC members with illustrations of the possible pension that can be secured from their pot on an annual basis – these are called Statutory Money Purchase Illustrations.

We are planning to make these illustrations available to members with a DC pension pot in October.

We have revised the assumptions we make about the rate of growth for some of our funds and in some cases, these growth rates will be lower to reflect current market views of fund returns. This means that depending on how far away you are from retirement and the fund you're invested in, the projection may be lower than what you have seen in previous years. The illustration is also affected by lower annuity rates that is, you have to hand over more of your DC pot to a third party annuity provider to get the same amount of pension income compared to last year. Please also note that these statements provide illustrations and are not guaranteed quotations. The benefits that you receive will depend on how much money you have in your pension pot, which will also be affected by how much you contribute, when you decide to take your benefits, how you choose to take your benefits, as well as other factors.



# Coming up to retirement?

When you are about six months from your Target Retirement Age, the HSBC Administration Team will write to you to remind you that your benefits are due. Because you don't have to retire at that age, it is then up to you to reply to the HSBC Administration Team to confirm whether you want to retire – once the initial letter has been sent, we won't send a reminder. The HSBC Administration Team will then send you the full details of the benefits you may receive at your retirement date, plus the forms you need to complete and return, before you can take your benefits.

You can get guidance to help you with your decisions. Pension Wise is a service which has been set up by the government to provide free and impartial guidance.

 [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)



Do you know when you want to retire?



Have you thought about your Target Retirement Age?





# Keeping your data up to date

The Trustee needs to hold data about you on paper and on computer systems, so that it can administer the Scheme and pay you your benefits. Some of the data we hold is provided to us and updated by HSBC, HR and payroll - for example your work email, home address, salary and contribution rate. And some of the data doesn't change – for example your date of birth, and your national insurance number.

However, some personal data such as your mobile number, your personal email address, and details of your nominated beneficiaries, spouse, civil partner or dependants may change over the course of your time in the Scheme. It is vital that you keep us up-to-date with changes in your personal data, to help us keep in touch with you, and to avoid any delay in paying benefits to you when they fall due and to your loved ones in the event of your death.

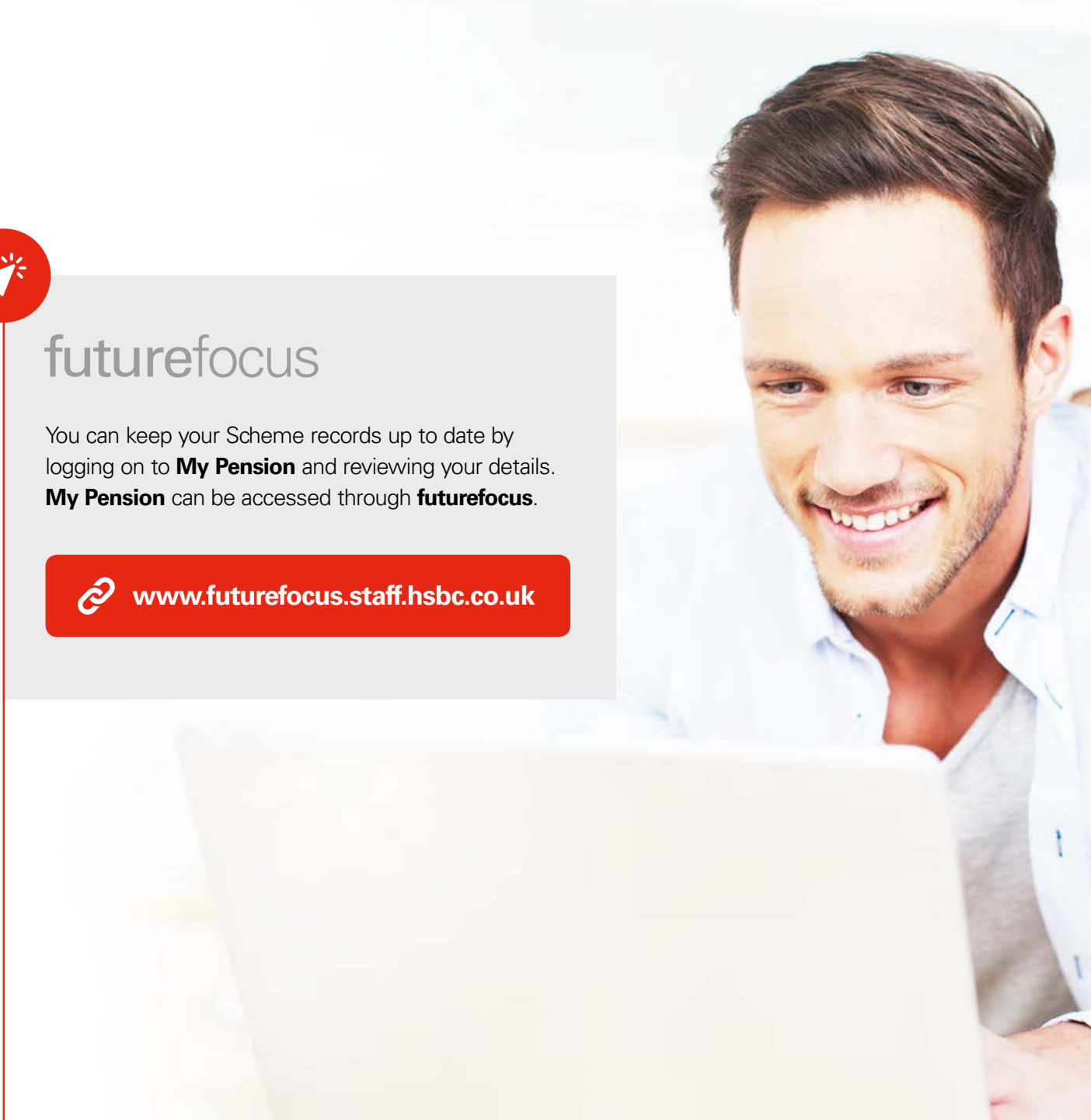


## futurefocus

You can keep your Scheme records up to date by logging on to **My Pension** and reviewing your details. **My Pension** can be accessed through **futurefocus**.



[www.futurefocus.staff.hsbc.co.uk](http://www.futurefocus.staff.hsbc.co.uk)





# Staying safe online!



Take care not to fall for phishing emails. This is where a seemingly legitimate message is sent to you asking for personal information such as bank account details, or your pension reference number.

The information gathered can then help a scammer contact you, perhaps pretending to be from the HSBC Administration Team, to gather more personal details which they then might be able to scam you out of your pension savings.

Remember:

- we will only phone you if there is a specific reason, there is an event in progress which affects your Scheme membership (for example you will be taking benefits shortly) or you have explicitly asked us to do so
- emails we send to you will be clearly from the Scheme, sent from a named individual, the HSBC Administration Team, or the Pension Scheme Executive
- we will only ask you for details of your bank account when your instructions are required to pay new benefits arising from the Scheme either by email or post.

“

If you have any doubt about the validity of a message, ignore it and **DO NOT** open any attachments.

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## Protecting your data

How we store and use your data is set out under data protection legislation. This is currently the Data Protection Act 1998 but from 2018 the General Data Protection Regulation (GDPR) will apply. Under the Act, the legislation requires that the Trustee, as data controller, must process the information fairly and lawfully, keep it safe and only hold it for as long as necessary. It allows the Trustee to pass your information to third parties, but only for the purpose of administering the Scheme and your benefits. It will also allow you greater control over your personal data. Part of keeping your data safe means that when you call the HSBC Administration Team, they will ask you security questions to confirm your identity before they can give you any personal information.

For more information on how we protect your data, see the guide '**Knowing your DC pension pot**'.

# Keeping in touch...

Accessing your details online

Whilst **futurefocus** provides a wide variety of general information and support, we also provide **My Pension** which makes it easy to check and update the details we have for you and manage your HSBC pension benefits. You can do this in 'real-time' at work, home or on the move using your desktop, laptop, tablet or phone.

If you are logged on to the HSBC network you can access **My Pension** via the links on **futurefocus** or My Choice. The system will recognise you.



If you are not logged on to the HSBC network  
– Go to:

 [www.futurefocus.staff.hsbc.co.uk](http://www.futurefocus.staff.hsbc.co.uk)

and click on **My Pension**. You will need to log in with your User ID and Password. The login page provides help in case you are having any difficulties logging on.

Our aim is to reach more of you by email, to keep you up to date and tell you when important documents are available to view online. Email communication is relatively easy while you are employed by the Bank, as we can reach you through your work email. However, once you leave the Bank it becomes harder to contact you via email, so please update your email address through **My Pension** if you'd like to receive information in this way.



The BWC has asked us to include the information below for you.

# The Bank Workers Charity

The Bank Workers Charity (BWC) help current and former bank employees, and their families by providing advice, expert support and, in some cases, financial assistance.

Our team will listen and work with you to find the best solution to your issue. We're independent of banks and we won't share your personal information with them.

Our support services are tailored to your needs. Amongst other things, we can support you in the following areas:

- caring responsibilities
- relationships
- mental health
- bereavement
- money and debt
- work-life balance
- disability and long-term conditions

If you think BWC might be able to help but you're not sure, call the free, confidential helpline on **0800 0234 834** and find out. BWC's team of skilled Client Advisors will work with you to find a practical solution that suits you.



Really supportive and helpful. Pride was one big thing for me but they made me feel at ease.

– BWC Client



You can also learn more about BWC and browse our easy-to-follow guides by visiting:



[www.bwcharity.org.uk](http://www.bwcharity.org.uk)