



Leaving the Scheme – DC options



Helping you decide

As you're leaving HSBC, you need to think about what to do with your defined contribution (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 through 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, WTW, 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 **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.

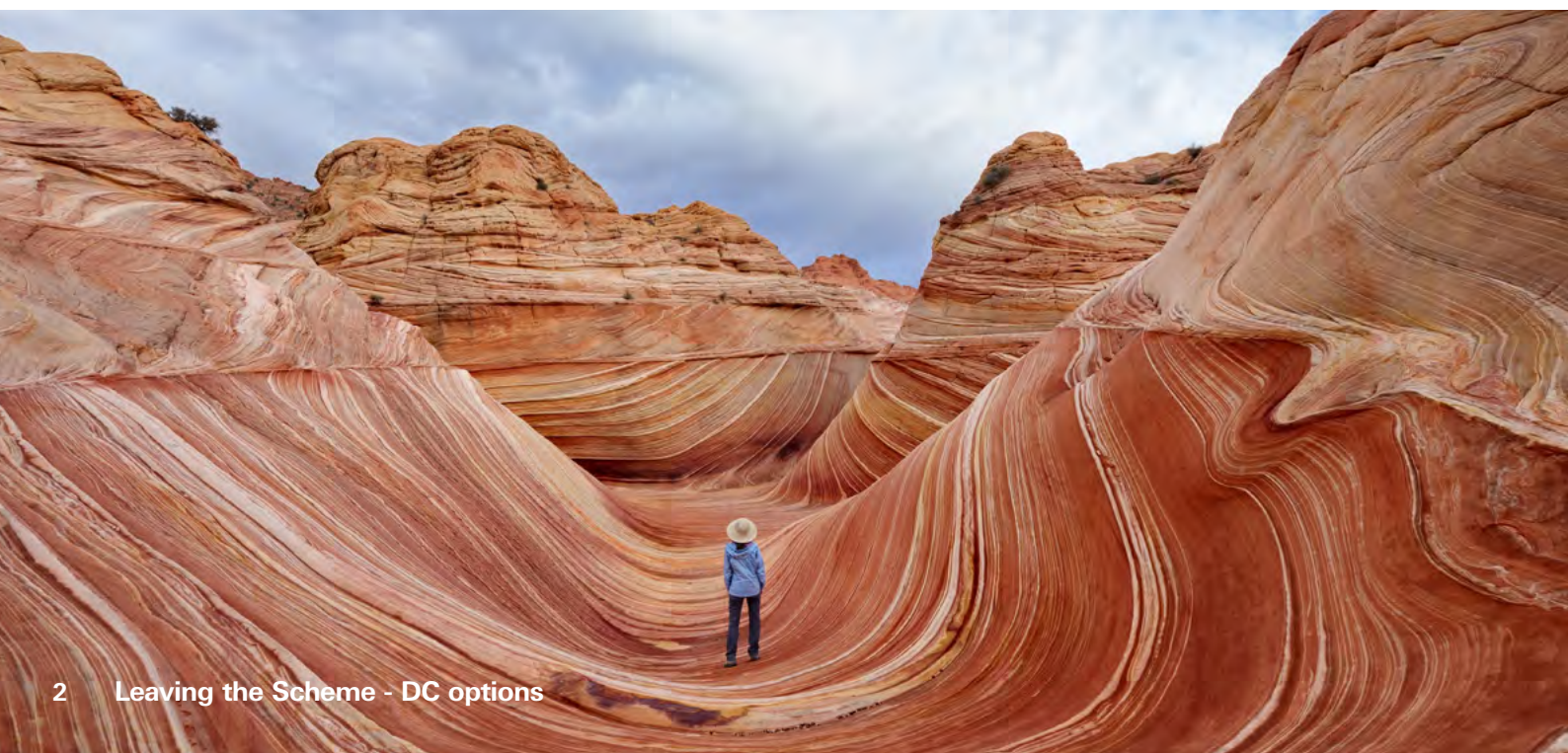
Things to consider...

- 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.

The Government has increased the minimum age at which a member of a pension scheme can take their benefits, from 55 to 57 and this will take effect from 6 April 2028, except where a member has what is known as a "protected pension age" of 55 or over. This means it may be possible in certain situations to still take your benefits from age 55 from 6 April 2028. For further information on how this change may impact you, please see the NMPA FAQ's on [futurefocus](#).



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 Target 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**. Once logged in select the My Investments tab and then Change My Investments from the drop-down menu. 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 'Investment guide for your Defined Contribution (DC) pension pot' gives you an overview of the four options for investing your DC pension pot and provides further information about investments. Go to <https://futurefocus.staff.hsbc.co.uk/deferred-dc/information-centre/members-guides>

The Trustee has developed more information on your options at retirement. You can find this information on futurefocus <https://futurefocus.staff.hsbc.co.uk/active-dc/important-decisions-about-your-retirement-savings>

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 (see **Your new lump sum allowances**) 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% (see **Your new lump sum allowances**) as tax-free cash and the rest would be taxed at your marginal rate of income tax. (You could choose to take your pension pot as cash over two consecutive tax years. For further information please contact the HSBC Administration Team - see contact details on page 5)
- transfer your DC pension pot out of the Scheme to a provider who offers you the facility to drawdown 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 <https://futurefocus.staff.hsbc.co.uk/deferred-dc/information-centre/members-guides>



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 'drawdown income' **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.)

Additional Voluntary Contributions (AVCs)

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

Your new lump sum allowances

The Lifetime Allowance (LTA) was the maximum amount that someone could save in their pension without incurring additional tax. The LTA has now been abolished and has been 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 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).

This limit applies if you take a one-off tax-free cash lump sum when you start taking your pension pot. It will also apply to the total amount that you receive tax-free if you decide to take multiple lump sums over a period of time (part of which are tax-free). 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 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 or 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 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. In order to do so, you will need to provide us with evidence of the benefits you have previously received, including the amount that was paid to you tax-free.

If you get a certificate this will mean that the adjustment to your Lump Sum Allowance and Lump Sum and Death Benefit Allowance will reflect the actual amount of tax-free cash you have received. This may lead to a better or worse outcome, so you should consider carefully whether or not to apply for a certificate.

If you are unsure about whether or not you would benefit from applying for a Transitional Tax-Free Amount Certificate we recommend you speak to an independent financial adviser.

Please note that if you want to apply for a certificate you need to do this before you take a tax-free lump sum for the first time after 5 April 2024. If you do not get a certificate before this you will lose your right to apply for one. This could mean you may end up paying more tax than you need to when you receive your benefits from the Scheme and from other pension schemes of which you are a member.

Please also note that the information in this section (Your new lump sum allowances) may not apply to Guernsey, Jersey or Isle of Man members.

For more information, please contact the HSBC Administration Team (see More help if you need it section below).

Money Purchase Annual Allowance (MPAA)

The amount that can be contributed to your pension each year while still receiving tax relief is limited by your 'Annual Allowance'. 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 DC 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 for the tax year 2024/25, is £10,000.

This may benefit you if you have flexibly withdrawn DC benefits in the past (for example using income drawdown) but now wish to resume or increase your pension savings from April 2024 and, if triggered, 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:

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser>

There's also the Money and Pensions Service who you can contact through your local Citizens Advice or directly at:

<https://moneyandpensionsservice.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 the Money and Pensions Service at <https://moneyandpensionsservice.org.uk/>. Once you are aged 50 or over, you can arrange an appointment with the Money and Pensions Service or MoneyHelper.

The appointments can be by phone or face-to-face. Telephone appointments can be booked by ringing call **0800 138 3944**. If you're outside the UK, call **+44 20 3733 3495**. Face-to-face appointments can be booked by calling your local guidance provider; see here for the relevant contact details: Go to: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/book-a-free-pension-wise-appointment>

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 is looking to communicate with members in the quickest and most environmentally friendly way possible. If you are a DC member, why not log in to **My Pension** – go to My Details, to add your personal details. We can then make sure we send you the important information you need about your pension. Don't worry – we will only ever use your details to contact you about your HSBC pension.

Thanks for your help!

Help and information

Getting online to My Pension

Log on to **My Pension** anytime, from anywhere. Go to the HSBC pension website: <https://futurefocus.staff.hsbc.co.uk/> and click **Login to My Pension**. You will need your user ID and password if you are not on the HSBC network.

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.

Apple App Store:



Google Play Store:



HSBC Administration Team, WTW

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, WTW
PO Box 652, Redhill, Surrey RH1 9AL

Phone: 01737 227575

Email: HSBCpension@willistowerswatson.com

This guide takes account of the Trustee's understanding of the UK tax and social security legislation in force as at July 2024. If there are differences between this guide and the Trust Deed and Rules, the latter will always override.

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