



Knowing your DC pension pot

A guide for members working in the Isle of Man



Your Defined Contribution (**DC**) pension pot is part of the HSBC Bank (UK) Pension Scheme (the **Scheme**) set up by the HSBC Group for its UK employees and employees working in the Isle of Man. It's a way to build up savings while you're working, to provide benefits in the future.

This guide gives you an overview of how your DC pension pot works and the options you will have when you take your DC pension pot.

*This guide assumes that you are subject to the Isle of Man tax regime whilst building up benefits in the **Scheme** and when you take your benefits. It also assumes you have only ever worked in the Isle of Man whilst you have been a **Scheme** member. If for example, you have also worked in the UK or another Crown Dependency or you move to the UK or another Crown Dependency before taking benefits, this guide may not apply to you. Please contact the HSBC Administration Team for further guidance (see page 22).*

If you're a hybrid member, you should read this guide as well as the guide, 'Your DB and DC benefits working together' dated July 2024. Note that this guide is drafted on the assumption that you have a DC pension pot only.

If you're not sure, you can get help

Get financial advice

This guide gives you an overview of your DC pension pot and options; it can't advise you on what to do. If you're not sure, you should speak to a Financial Adviser; to get help finding a Financial Adviser in your local area, visit the Isle of Man Financial Services Authority at www.iomfsa.im.

Some of the words and phrases have special meanings. We've put them in **bold type** and explained them in a list at the back of this guide.



Know your HSBC pension

If you want to know more about you and your **Scheme** benefits, you might like to take a look at:



Tells you about your **Scheme** benefits and gives you easy access to **My Pension**, your personal DC pension pot. There are also links to useful information about pensions in general.

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

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Your DC benefits at a glance

At any time from age 55 to 75, you can choose how to use your DC pension pot, including:

- If the value of your DC pension pot is £10,000 or less, you may be able to take it all as a cash lump sum; or
- Taking a 25% tax-free cash sum and a regular income (also called an annuity).

You can also transfer the value of your DC pension pot to another pension arrangement to access other options which may include taking your pot from age 50 or in a different form (see page 17 for further details).



Help for your family

If you die while you're working for the **HSBC Group in the Isle of Man**, your family and **dependants** will receive a lump sum, normally payable through the **Life Assurance Scheme**. Please refer to your **My Choice** elections for more details about the benefits payable under the **Life Assurance Scheme**.

Your spouse or civil partner would receive a pension and any **dependent children** would receive an allowance. If you don't have a spouse or civil partner, the **Trustee** has discretion, with the **Principal Employer's** approval, to provide an allowance for another **dependant**.



How money goes into your DC pension pot

If you work for the **HSBC Group in the Isle of Man**, your employer is already putting 10% of the first £26,400¹ of your **pensionable salary** (pro-rated if you're a part-time employee) and 9% of your **pensionable salary** over £26,400¹ (up to the **Scheme Earnings Cap**) into your DC pension pot.



How to get even more

If you decide to put some of your salary into your DC pension pot, your employer will match the amount you put in up to 7% of your monthly **pensionable salary** up to the **Scheme Earnings Cap**.

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.



Choose how your DC pension pot is invested

You can choose how your DC pension pot is invested from a range of options. If you don't tell us your choice, your DC pension pot will be invested automatically in the **Flexible Income Strategy** option² and we'll assume you're going to take it at age 65. You can check on how your investments are performing and update your personal details online at **My Pension**.



Changing your investment choices and how much you save

You can change your investment choices 12 times a year, for free, through **My Pension**. If you're on the HSBC network, you have single sign on access to **My Pension**. If you're not on the network, or you're using a computer outside the office, you can log in through **futurefocus**.

You can also change the amount you're putting in through **My Choice** in **My Benefits**.



When you can take your DC pension pot

You can use the money you've built up at any age from 55 to 75. You don't have to stop working to take your DC pension pot, although the minimum age you can take your DC pension pot if you are still working is 65. Remember, the longer you make contributions to the **Scheme** the more money you should have available to use for your retirement.

¹ The July 2023 threshold is £26,400. This threshold increases each July by the annual rise in the UK Consumer Prices Index (UK CPI) unless the **Trustee** and the **Principal Employer** decide to increase it in another way.

² Your default investment option may be different depending on the option you were invested in on 7 February 2018, how far away you were from your **TRA** on 10 April 2018 and whether you have DB benefits in the Scheme.



Joining the Scheme

Most people become a member of the **Scheme** automatically on day one of beginning to work for the **HSBC Group in the Isle of Man**.

Transferring savings from another pension scheme

If you've built up pension savings with a previous employer or in a personal pension, you may be able to transfer them into the **Scheme**.

The amount of savings you end up with from any transfer-in payment depends partly on how well your investments perform and when you take your DC pension pot.

The **Scheme** may provide DC benefits in a different way from your previous scheme; for example, your previous scheme may link benefits directly to your salary. So it's worth thinking carefully about whether transferring your pension savings into your DC pension pot in this **Scheme** will make the most of your money.

Any savings you transfer to your DC pension pot in the **Scheme** will be invested in full - there are no administration or investment fees. Depending on the fund you choose, there may be other investment charges which are included in the price of the fund.



If you're not sure if it's right for you to transfer your pension into your DC pension pot in the **Scheme**, it's strongly recommended that you speak to a Financial Adviser, as the **Trustee** and your employer can't give you financial advice. To get help finding a Financial Adviser in your local area, visit the Isle of Man Financial Services Authority at www.iomfsa.im.

How it works

If you want to transfer other pension savings into the **Scheme**, download the 'transfer-in' form from **futurefocus**, fill it in and send it to the HSBC Administration Team.

They will then ask your previous provider to tell you how much the savings you've built up in that scheme are worth – this amount is called the transfer value.

The transfer process may take up to two months to complete. If the transfer value can be added to your DC pension pot in the **Scheme**, the HSBC Administration Team will tell you how much would go into your DC pension pot. The HSBC Administration Team will also let you know if the **Scheme** cannot accept the transfer.

There's more information on investing your DC pension pot on pages 12 and 13.



Saving into your DC pension pot

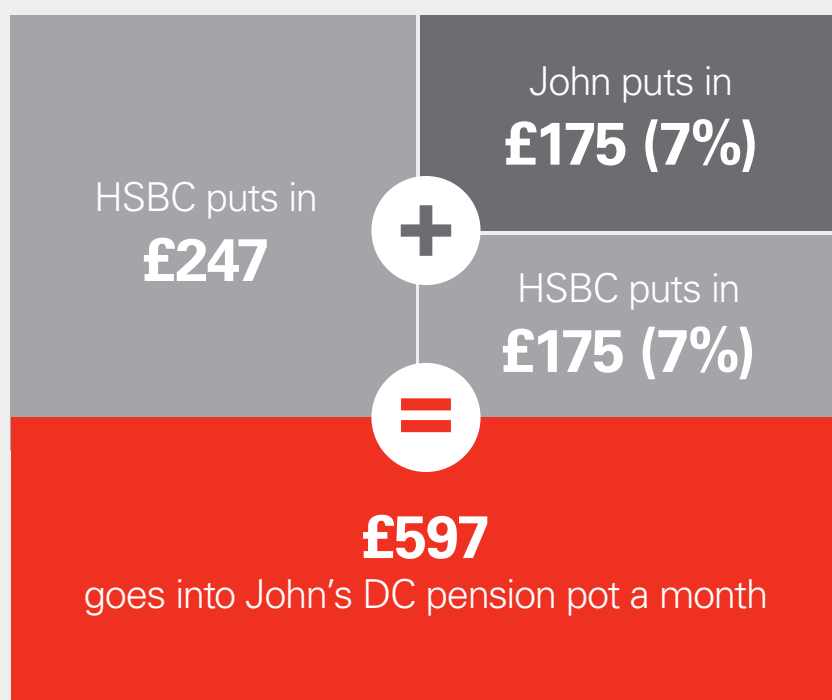
Working for the **HSBC Group in the Isle of Man** means your employer gets you started by putting an amount equal to 10% of the first £27,300¹ of your **pensionable salary** (pro-rated if you're a part-time employee) and 9% of your **pensionable salary** over £27,300¹ (up to the **Scheme Earnings Cap**) into your DC pension pot in the **Scheme**.

John's pensionable salary is £30,000 a year – that's £2,500 a month (before tax).

His employer puts **10%** of **£27,300**¹ and **9%** of **£3,600** into his DC pension pot – that's **£247** a month.

He decides to put in **7%** of his **pensionable salary** – that's **£175**.

His employer then matches his **7%** – that's an extra **£175** going into his DC pension pot.



¹ The July 2024 threshold is £27,300. This threshold increases each July by the annual rise in the UK Consumer Prices Index (UK CPI) unless the **Trustee** and the **Principal Employer** decide to increase it in another way.



If you're temporarily absent

If you're on long-term sick leave or go on maternity, paternity, shared parental or adoption leave, your employer will continue putting money into the **Scheme** based on your **pensionable salary**. You can keep putting money in as well and the amount you pay will be based on the salary you actually receive during the period of absence, rather than your **pensionable salary**. If your salary is reduced (or if you're not being paid), any benefits that continue to be provided would be based on the notional **pensionable salary** you'd receive if you were at work.

If you are on long-term sick, the **HSBC Group Income Protection (GIP) employee guide** will give you more information about the financial support available to you. You can find this guide in **My Benefits**.



Limits on tax relief

Annual Allowance

The Isle of Man Government sets a limit on the total amount of contributions from you and your employer that can receive tax relief each year. The overall limit each year is called the 'Annual Allowance' (AA). The standard AA is currently the lower of £50,000 or 100% of your earnings.

Neither you or your employer can make contributions that are more than £50,000 in total. Contributions are measured each year against this limit over the period 6 April - 5 April.

If you make contributions to any other Isle of Man approved scheme, these will also count towards the AA limit. You can find details of your contributions for the year on **My Pension**.



Example of AA calculation for the period 6 April 2024 to 5 April 2025

The following example shows how you test the contributions paid into the **Scheme** for a full year against the AA (for the period from 6 April 2024 to 5 April 2025). The figures shown are rounded to the nearest pound.

Example – DC calculation

Pensionable salary	£55,000
Employer core contributions*	£5,220
Member pays 7%	£3,850
Employer matches 7%	£3,850
Contribution for 2024/25 is	£12,920

The AA for tax year 2024/25 is the lower of £50,000 or 100% of earnings, which means that in this example, the contribution is within the AA limit.

*The salary threshold that we use to calculate the employer core contribution is updated annually in July. This means that we use two different thresholds to calculate the employer core contribution over the tax year. For the 6 April 2024 to 5 April 2025 tax year, we use the July 2023 threshold of £26,400 for the first three months of the tax year. We use the July 2024 threshold of £27,300 for the remaining nine months.

Find out more

Find out more about limits on tax relief by contacting the Isle of Man Income Tax Division on 01624 685400

For more information about UK limits, you can visit the MoneyHelper website at:

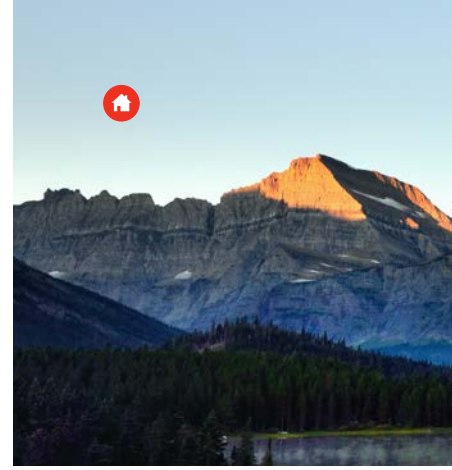
<https://www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions/tax-relief-and-your-pension>



Helping your money grow

You can choose how your money is invested

You have four investment options.



1

OPTION ONE:

The **Flexible Income Strategy** is designed for you to take a flexible income (e.g. drawdown), spreading the amount and timing of income withdrawals after transferring your DC pension pot out of the **Scheme**. It invests in a pre-selected range of funds. The mix of the funds used for your DC pension pot changes automatically in the approach to your **Target Retirement Age** and beyond.

During the growth phase, when you're younger, your DC pension pot is invested in funds with the aim of achieving long-term growth, but this means it will still change in value with the highs and lows of the stock markets. The design of this strategy takes into account that you've still got time for the value of your DC pension pot to potentially recover if stock market prices fall.

Then, as you get closer to retirement age, your DC pension pot is automatically switched into a diverse mix of investments including lower-risk investments such as bonds and cash. This is called the 'consolidation phase'. It aims to provide more limited but continued growth whilst smoothing out some of the stockmarket's highs and lows.

This is to reduce the risk that the value of your DC pension pot will fall sharply before you access it at (or beyond) **Target Retirement Age**.

If you think you'll use some or all of your DC pension pot to take a flexible income (e.g. drawdown) then this option might suit you.

If you don't tell us the option you'd like, we'll automatically invest your DC pension pot in the **Flexible Income Strategy***.

To take a flexible income (e.g. drawdown income) you'll need to transfer out of the **Scheme** to a provider who offers this facility.

2

OPTION TWO:

The **Lump Sum Strategy** is designed for you to take all of your DC Pension pot as a cash lump sum. It works in a similar way to the **Flexible Income Strategy** by automatically moving your money into lower risk investments like bonds and cash as you approach your **Target Retirement Age** and beyond.

The strategy aims to reduce the risk that the value of your DC pension pot falls sharply before you take it.

You should bear in mind that under Isle of Man law, you are only able to take all your benefits as a cash sum if they are below a certain amount and so this may not be a suitable option for you.

3

OPTION THREE:

The **Annuity Purchase Strategy** is designed for you to take 25% of your DC pension pot as a tax-free cash sum and use the balance to buy an annuity (a regular income for life). It works in the same way as the **Flexible Income Strategy** as it manages some of the investment risks for you. It automatically changes the mix of your investment funds in the approach to retirement. When you reach your **Target Retirement Age**, 25% will be invested in the Cash Fund - active, and 75% will be invested in the Fixed Annuity Tracker Fund - passive.

If you think you'll take 25% of your DC pension pot as tax-free cash and use the balance to buy an annuity, then this option might be for you.

4

OPTION FOUR:

Freechoice gives you flexibility to manage your money and allows you to choose from 18 funds to invest in and to move your money between them if your plans and circumstances change.

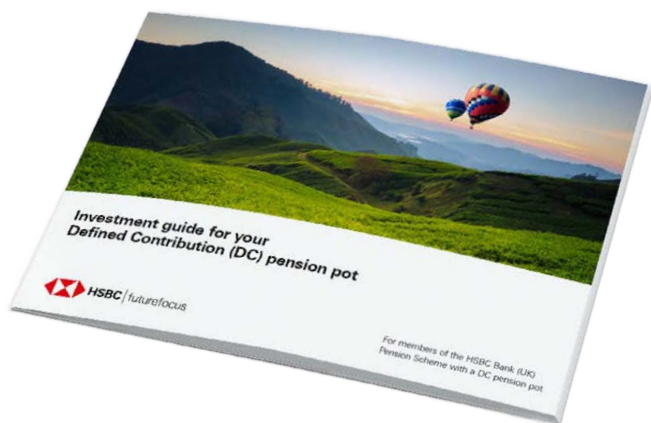
*Your default investment option may be different depending on the option you were invested in on 7 February 2018, how far away you were from your **TRA** on 10 April 2018 and whether you have DB benefits in the Scheme.



How to find out more about investing

It's important that you make decisions that help your money work in the best way for you.

The guide '**Investment guide for your Defined Contribution (DC) pension pot**' gives you an overview of the current options for investing your DC pension pot and provides further information about investments.



Find out how your investments are performing

My Pension at work, at home and on the go is where you can find out how your investments are performing – log on to **My Pension** via your computer or using the mobile app (page 23 tells you how to get online).

Investment factsheets you'll also find factsheets that show how the funds have performed over the last quarter, the last year and last three years on **futurefocus**.

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 a free investment switch up to once each month – if you make any more there may be a charge.

Whatever decision you make regarding your investment options 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 if your personal circumstances change.

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.

*If you were an active DB member on 30 June 2015, had Additional Voluntary Contribution (AVCs) and have been building up a DC pension pot from 1 July 2015, your **Target Retirement Age** will be the same as the retirement age for your AVC.



Using your DC pension pot

Choosing the age to take your DC pension pot

You can choose to take your DC pension pot at any age from 55 to 75. You may be able to take your benefits from age 50 if you transfer to another arrangement that offers this.

You can tell us the age you want to target in **My Pension**.

If you don't make a choice, we'll assume you'll want to take your DC pension pot at age 65*. This is known as your **Target Retirement Age (TRA)**. The HSBC Administration Team will write to you six months before you reach your **TRA** to tell you the current value of your DC pension pot. If you want to, you can ask for this information earlier or go online at **My Pension** to see the value of your DC pension pot which is updated daily.

When the HSBC Administration Team write to you, you'll get information about your choices and where to get more help and guidance.

*If you were an active DB member on 30 June 2015, had AVCs and have been building up a DC pension pot on and from on 1 July 2015, your **Target Retirement Age** will be the same as the retirement age for your AVCs.

If you are or were, an **active hybrid member** you have more choices about what to do with your **Scheme** benefits. Pages 12-17 of your member guide, '**Your DB and DC pension benefits working together**', tells you more about this.



Help to make your choices

You should consider taking financial advice to help you decide which option is most suitable for you.

Not all the options listed may be available if you've got legacy AVCs. The HSBC Administration Team will let you know when you come to take your benefits if this applies to you.

How you could use your DC pension pot

You can use your DC pension pot at anytime from age 55 to 75. What you do will depend on your personal circumstances. You might want cash or, you might prefer a regular income.

Here's what you can do with your DC pension pot:

1

OPTION ONE

Tax-Free Cash Sum of up to 25% can be taken from the Scheme.

2

OPTION TWO

Cash out from the Scheme (if you have a DC pension pot worth £10,000 or less).

3

OPTION THREE

Regular income from an annuity.

4

OPTION FOUR

Take a transfer outside the Scheme to access other options.



How you could use your DC pension pot

1

OPTION ONE:

In the **Scheme**, you can currently take up to 25% of your DC pension pot tax free. Your remaining DC pension pot can be used to buy a regular income (called an annuity) which can be arranged by a local Isle of Man broker (see Option Three for more details).

2

OPTION TWO:

Cash out – take all your DC pension pot from the **Scheme** in one go.

If the value of your DC pension pot is £10,000 or less you may be able to take all your DC pension pot as a cash lump sum from the **Scheme** provided the total value of your commuted benefits across all schemes does not exceed £100,000 and all such sums are paid out within a 12-month period.

Up to 30% of the lump sum would be tax free and the balance would be taxed as earned income at the applicable Isle of Man marginal rate.



You can carry on working

From age 65, you can choose when and how to use the money saved for your retirement whilst continuing to work for the HSBC Group - this is known as flexible retirement. In some cases, the Trustee and/or your employer need to agree to you taking your benefits early.

What you do with your DC pension pot is up to you. You could choose from Options One or Three or you could leave your benefits invested until you are ready to retire. You cannot choose Option Two (cash out) and continue to build up more benefits. Alternatively, you could transfer part of your benefits to another pension arrangement with the approval of the Trustee and the Isle of Man Income Tax Division. If you choose to take flexible retirement, you can decide whether you want contributions to continue into a new DC pension pot set up for you. If you build up a small pension pot, your options (including outside the Scheme) for using this new DC pension pot to provide you with benefits may be restricted as it may not be possible to take your new DC pension pot as a cash lump sum. If you wish to continue employment and transfer your benefits from the Scheme under Option Four, you will need to apply for approval from the Trustee and the Income Tax Division.

If you decide you want to carry on working for the **HSBC Group in the Isle of Man**, but don't want to be an active member of the **Scheme**, you'll still be covered for the lump sum death benefit payable through the **Life Assurance Scheme**. However this will mean that your spouse/civil partner will not be eligible for a pension and no child allowance/**dependant's** pension would be paid if you die.

3

OPTION THREE:

A regular income – you can use some or all of your DC pension pot to buy an income (called an annuity) which can be arranged by a local Isle of Man broker. You'll know how much you're getting and when it's being paid to you.

The income you'll get from your annuity depends on a number of things, including:

- the value of your DC pension pot,
- annuity rates at the time you're buying the income,
- the type of annuity you choose – for example, you might want to include a pension for a spouse or civil partner in case they outlive you and,
- your health – if you're in poor health you might be able to get a higher income.

4

OPTION FOUR:

Transfer to another pension arrangement.

You may be able to transfer the full value of the DC pension pot to another pension arrangement to access other options which may be available. For example, you may be able to take a transfer out to another arrangement which offers different options. In broad terms this includes:

- taking your benefits from age 50,
- up to 30% tax-free cash can be taken from another approved Isle of Man pension scheme, or up to 40% tax-free cash from an Isle of Man Pension Freedom Scheme,
- take your savings flexibly using drawdown,
- if your DC pension pot does not exceed £100,000, (across all schemes and provided all such cash sums are paid within a 12-month period) you may be able to take it as a cash sum. This must extinguish your DC pension pot and you must be over age 55 and below age 75.

You may also be able to transfer part of your benefits to another pension arrangement in accordance with the Scheme rules and with the approval of the Trustee and the Isle of Man Income Tax Division.

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



If you are or were an **active hybrid member** you may also have DB benefits payable . You should read pages 18 - 21 of the guide '**Your DB and DC pension benefits working together**' to find out more.

Let us know your wishes

If you want us to know who you'd like to receive any benefits if you die, make sure your Expression of Wish form is up to date.

It's a good idea to check and update your details whenever your personal circumstances change. You can do this online by logging on to **My Pension**. The **Trustee** and the **Life Assurance Trustee** will consider your wishes but, for tax reasons, aren't bound by them.

Help for your family when you die

If you die while you're working for the **HSBC Group in the Isle of Man**, your family and **dependants** could get financial help:

- A payment paid through the **Life Assurance Scheme**. Please refer to your **My Choice** elections for more details about the benefits payable.
- A return of any money you've paid (including transferred in funds, but excluding employer contributions) into your DC pension pot.
- A pension of 30% of your **DC pensionable salary** for your spouse/civil partner if you're an active member of the **Scheme**. If your spouse/civil partner is more than 15 years younger than you, their pension will be reduced by 2.5% for each year above the 15 year age difference.
- An allowance for one or more **dependants**, if you don't have a spouse/civil partner. If the **Trustee** and **Principal Employer** approve, that person, or those people, could receive an allowance up to the value of a spouse/civil partner's pension (calculated in aggregate).
- An allowance for any **dependent children**. This would be a percentage of the spouse/civil partner's pension (not adjusted for any age difference) and would depend on the number of **dependent children** you have when you die. If there's no spouse/civil partner's pension or **dependant's** allowance payable, then the children's allowance would be doubled.



If you die while working **part-time**, the amount paid as a lump sum would be based on your actual part-time **benefit salary** on the date you die.

If you die as a deferred member (after leaving the **HSBC Group in the Isle of Man** but haven't retired), the total value of your DC pension pot in the **Scheme** (including the value of your employer's contributions) will usually be paid as a lump sum at the **Trustee's** discretion.

How do the Life Assurance Scheme and the Scheme work together?

The **Life Assurance Trustee** decides who receives the lump sum that's a multiple of your **benefit salary**. The **Trustee** of the **Scheme** decides who receives any amount that relates to your membership of the **Scheme**.



Your State Pension

You may be entitled to a State Pension in addition to your Scheme benefits.

To find out more about any State Pension entitlement you may have, visit:

<https://www.gov.im/categories/benefits-and-financial-support/pensions/manx-state-pension/>



Opting out or leaving the Scheme

Opting out of the Scheme

You can stop paying into your DC pension pot if you need to. You can do this through **My Choice**.

While you're working for the **HSBC Group in the Isle of Man** you can opt out of the Scheme by giving notice to your employer. If you want to opt out, go to **My Choice** on the **My Benefits** website.

If you opt out, the money you and your employer are putting into your DC pension pot will stop and you'll be treated as a leaver (see 'Leaving the Scheme' opposite).

As an opt out member, you'll still be covered for the lump sum death benefit payable through the **Life Assurance Scheme**, but your spouse/civil partner will not be eligible for a pension if you die in service.

Opting back in to the Scheme

You can opt back in to the **Scheme** through **My Choice** at anytime.

Leaving the Scheme

If you leave the Scheme with fewer than 30 days' qualifying service, you can either:

- get back the value of any money you've put into your DC pension pot (less tax at 7.5%); or
- transfer the total value of your DC pension pot in the **Scheme** (including the value of your employer's contributions) to an Isle of Man approved pension scheme or a pension scheme in the UK approved by HM Revenue & Customs. You may be able to transfer your DC pension pot to a scheme registered outside of the Isle of Man and the UK where the approval of the Isle of Man Income Tax Division has been obtained.

If you leave with 30 days or more of qualifying service, you can:

- leave your money invested in the **Scheme** until you decide to take it from the **Scheme** any time from age 55 (see 'Using your DC pension pot' on page 14 for details of what you can do with your money) – this means you will be a deferred member; or
- transfer the total value of your DC pension pot in the **Scheme** (including the value of the employer's contributions) to an Isle of Man approved pension scheme or a pension scheme in the UK approved by HM Revenue & Customs. You may be able to transfer your DC pension pot to a scheme registered outside of the Isle of Man and the UK where the approval of the Isle of Man Income Tax Division has been obtained.

When you've left active membership of the **Scheme** you'll be sent a statement showing the value of your DC pension pot in the **Scheme** and a '**Leaving the Scheme**' information pack which explains your options in the **Scheme**.

To see the current value of your DC pension pot in the **Scheme** go onto **My Pension**. You can ask the HSBC Administration Team for one transfer value quotation each year free of charge.

Please see the 'Leaving the Scheme - DC options' guide for more information.



Where to go for more information

futurefocus – Tells you about your **Scheme** benefits and gives you easy access to **My Pension**, your personal DC pension pot. There are also links to useful information about pensions in general.

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

Getting in contact – If you have a general question which you can't find an answer to or you have a query about your personal DC pension pot, 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



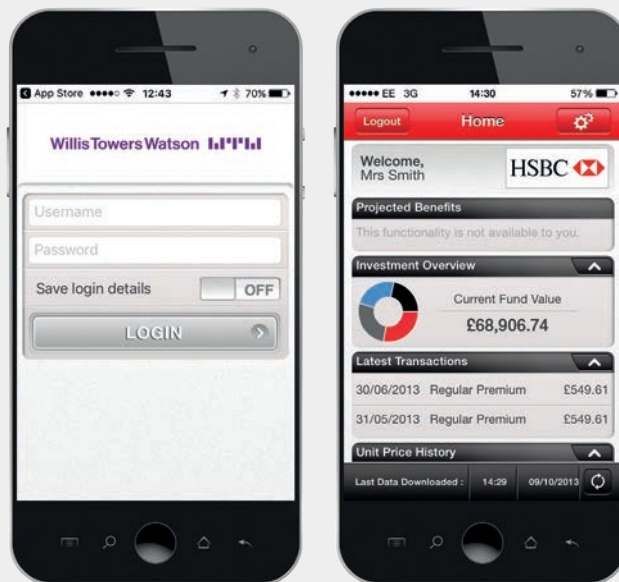
My Pension Mobile app

Get hassle-free access to your DC pension pot any place and any time. Download **My Pension** from the Apple App Store or the Google Play Store. Or use the QR codes below for iOS or Android apps.

Apple App Store:



Google Play Store:



Making changes to your DC pension pot

If you want to change your investment choices, and make changes to your personal details, log on to **My Pension**.

Your DC pension pot online

On **My Pension** you can see if you're likely to save enough to provide the income you'd like when you stop working.

You can:

- check your personal details,
- keep an eye on how your investments are performing,
- change your investment choice,
- update your 'Expression of Wish' details.

Log on to **My Pension** anytime, from anywhere. Here's how:

On the HSBC network – go to the pension website <https://futurefocus.staff.hsbc.co.uk> and click on **Login to My Pension**. If you're off-site (including at home), go to the same place as above but remember you'll need your user ID and password to log on to **My Pension**.



Information on the Scheme

Scheme registration

The **Scheme** is registered in the UK by HM Revenue & Customs and is also approved in the Isle of Man by the Assessor of Income Tax. The **Scheme** is registered with the Isle of Man Financial Services Authority as a recognised scheme. It is not regulated as an authorised scheme under Part 2 of the Retirement Benefits Schemes Act 2000 and is exempt from the authorisation requirements of that Act, as it is regulated by an external regulatory body (The Pensions Regulator, see below). Although the **Scheme** is not registered as an authorised scheme by the Isle of Man Financial Services Authority, it remains subject to the statutory preservation, revaluation, transfer and disclosure provisions operating in the Isle of Man in respect of members in employment in the Isle of Man. Payment of contributions and the provision of benefits under the **Scheme** to Isle of Man members are subject to Isle of Man Income Tax rules and because of this have certain tax exemptions and reliefs. There are allowances and limits on the benefits and contributions which means that if these are exceeded you'll have to pay tax on any excess.

Scheme report and accounts

Each year the **Trustee** publishes the **Scheme's** annual report and accounts. You can find the latest and previous versions of these on **futurefocus**.

Is my data safe?

We are committed to protecting and processing fairly and lawfully the personal information we gather, hold and use about you, your family and your **dependants**.

We need that information to administer the **Scheme**, pay benefits, manage liabilities and for internal statistical, financial modelling and reference purposes.

We set out here a summary of how we do this. Full details are set out in our **Privacy Notice**. This is available on **futurefocus** or if you would like a hard copy please contact the **HSBC Administration Team** (see page 22). The **Privacy Notice** will be amended from time to time so that it is kept up to date.

We are, as the **Trustee**, a “data controller” for data protection purposes as we are responsible for deciding what personal information needs to be processed and the way in which that information is processed.

Details of the types of personal data the **Trustee** holds and how it uses that information are set out in detail in the **Privacy Notice**.

Your rights

The **Privacy Notice** sets out your rights in connection with the personal data we hold about you, and who to contact if you want to exercise those rights, make a complaint, or generally have any questions. You have the right to complain to the Isle of Man Information Commissioner (www.inforights.im).

How we gather personal information

In addition to the information you provide, we collect personal information from other sources such as your employer, public bodies such as HM Revenue & Customs, publicly available databases and schemes from which transfers have been received. The **Privacy Notice** sets out in more detail from whom and where we gather information about you.

Sharing your personal information

To enable us to administer the **Scheme**, we share personal data with various third parties such as the administrators who are responsible for the day to day administration of the **Scheme** and our professional advisers. We also share information with the Bank so it can, amongst other things, monitor and evaluate its liabilities and responsibilities to the **Scheme** and implement liability management exercises.

Keeping personal information

We must keep all personal data safe and keep it only for as long as necessary. We set out more detail about this in the **Privacy Notice**.

Keep us up to date so we can pay your benefits.

It is important to keep us up to date with any changes to your personal circumstances, so that we can pay your benefits accurately and promptly. Please update us by visiting **futurefocus** and clicking **My Pension** if you notice that any of your personal details are incorrect or if you change your name, address or marital status.

Your questions

For more information, you can visit **futurefocus**. If you have any questions, please contact the **HSBC Administration Team** (see page 22).



You've got the right to see personal information that is held about you, or to object to the processing of your personal data. However, this could impact on the payment of your benefits or your participation in the **Scheme**. Please contact the HSBC Administration Team if you want to see your data or if you think that any information isn't right.

Information will generally be provided to you free of charge, although we can charge a reasonable fee in certain circumstances.

If you have a complaint in relation to the processing of your personal data, that the **Trustee** is unable to rectify, you are entitled to take this to the Isle of Man Information Commissioner. Web: www.inforights.im.

Information about the Trustee

The **Trustee** is a limited company called HSBC Bank Pension Trust (UK) Limited. The **Trustee** is responsible for looking after the **Scheme** in line with the **Scheme's** Trust Deed and Rules on behalf of all members and their beneficiaries.

If you need to contact the **Trustee** you can write to:

HSBC Bank Pension Trust (UK) Limited
8 Canada Square
London
E14 5HQ

or contact the Trustee via email at: pensionschemeexecutive@hsbc.com

The role of The Pensions Regulator

The Pensions Regulator promotes the good governance and administration of pension schemes. If it thinks that trustees, employers or professionals have failed in their duties, The Pensions Regulator can intervene in the running of a scheme.

You can contact The Pensions Regulator at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW

Web: www.thepensionsregulator.gov.uk

Pensions in general

The Pensions Ombudsman

The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

The Ombudsman can be contacted at:

10 South Colonnade
Canary Wharf
E14 4PU

Phone: 0800 917 4487
E-mail: enquiries@pensions-ombudsman.org.uk

Web: www.pensions-ombudsman.org.uk

Complaints or concerns

If you've got a comment, concern or complaint, you need to contact the HSBC Administration Team (see contact details on page 22).

The **Scheme** also has a formal internal dispute resolution procedure for resolving disputes between members (and their beneficiaries) and the **Trustee**. This is a two stage process. At the first stage, you can write to the **Trustee's** Chief Operating Officer (by completing a form which you can get from the Information Centre on **futurefocus** or from the HSBC Administration Team – the contact details are on page 22), who'll normally respond within two months of receiving full details of the complaint.

If the matter's not resolved to your satisfaction, you can ask the **Trustee** to consider your complaint under the second stage and it will normally respond within two months. Write to the **Trustee** at the address shown on this page or download the relevant form from the Information Centre on **futurefocus**.

If you're not happy with the reply, then you have the right to refer your complaint to The Pensions Ombudsman free of charge.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended. Web: www.pensions-ombudsman.org.uk

Changing the Scheme

In the future, the terms and conditions of the **Scheme** may change. The **Trustee** may, with the **Principal Employer's** consent, change the **Scheme**. If this happens, you'll be told if this affects you.

This guide takes account of the **Trustee's** understanding of the UK and Isle of Man tax and social security legislation in force as at July 2024. This guide is for members resident in Guernsey for the purposes of the Guernsey tax legislation whilst accruing benefits in the **Scheme** and who remain tax resident in Isle of Man when taking their benefits from the **Scheme**. If there are differences between this guide and the Scheme's Trust Deed and Rules, the latter will always override.



List of defined terms

Active hybrid member – is a person who was an active member of the **Scheme** making DB contributions on 30 June 2015, and started making DC contributions on 1 July 2015 and has not left service or been treated as having left service.

Additional hours – are regular hours that part-time employees work beyond their contracted hours.

Additional hours are included within **pensionable salary**, as opposed to overtime, which isn't.

Benefit salary – is your basic salary plus any market allowance for life assurance benefits.

DB – means defined benefit.

DC – means defined contribution.

Dependant – is someone who, in the **Trustee's** opinion, is financially dependent or interdependent on a member of the **Scheme**, or is dependent on the member because of a physical or mental impairment.

Dependent child – is a child under the age of 18, or 23, if the **Trustee** considers the child is in full-time education or vocational training. A child may also qualify as a dependent child because of physical or mental impairment or subject to **Trustee** approval and applicable legislation.

futurefocus – the HSBC Bank (UK) Pension Scheme general website.

Life Assurance Scheme – the HSBC UK Life Assurance Scheme which is operated by the **UK HSBC Group** through a separate trust.

Life Assurance Trustee – is the trustee of the **Life Assurance**

Scheme, currently HSBC Retirement Benefits Trustee (UK) Limited.

My Benefits – your HSBC benefits online portal.

My Choice – HSBC's flexible benefits package where employees choose from a range of benefits to suit their needs.

My Pension – your personal DC pension pot online. You can see your personal information, including the money being paid in by you and your employer, where you've chosen to invest your pension pot and how the funds are performing. You can use **My Pension** to change investment choices, model different contribution rates and the age you're thinking about stopping work so you can see what your income might be, and update personal information.

Pensionable salary – is your annual basic salary capped at the **Scheme Earnings Cap**, excluding allowances, bonus payments and overtime, but including salary relating to **additional hours**.

Principal Employer – HSBC UK Bank plc.

Privacy Notice – is a statement explaining how the **Trustee** processes individuals' personal data in connection with the running of the **Scheme**.

Qualifying service – is time spent as a member of the **Scheme** (while making DC contributions) together with any service relating to benefits transferred into the **Scheme** from another pension scheme. It also includes service relating to DB benefits built up in the **Scheme** (or any other **UK HSBC Group** scheme

that has merged with the **Scheme**), and any service before July 2009, during which a member only paid additional voluntary contributions and/or paid a bonus sacrifice into the **Scheme**.

Scheme – this is the HSBC Bank (UK) Pension Scheme.

Scheme Earnings Cap - increases each year on 1 July by the annual rise in the UK Consumer Price Index (CPI) over the previous 12-month period to March (rounded up to the next multiple of £1,000). As at 1 July 2024 this was £186,000.

Target Retirement Age (TRA) – this is set at 65 unless you choose a different age between 55 and 75. If you were an active DB member on 30 June 2015, had AVCs and have been building up a DC pension pot on and from 1 July 2015, your **Target Retirement Age** will be the same as the retirement age for your AVCs.

Trustee – is HSBC Bank Pension Trust (UK) Limited, the **Trustee** of the **Scheme**.

UK HSBC Group – HSBC Holdings plc and all subsidiary companies in the United Kingdom, Channel Islands and the Isle of Man that participate in the **Scheme**.



This Guide takes account of the Trustee's understanding of the UK and Isle of Man tax and social security legislation in force as at July 2024. This Guide is for members resident in Isle of Man for the purposes of Isle of Man tax legislation whilst they were building up benefits in the Scheme and who remain tax resident in Isle of Man when taking their benefits from the Scheme. If there are differences between this Guide and the Trust Deed and Rules, the latter will always override.

Issued by HSBC Bank Pension Trust (UK) Limited **July 2024**.

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