



# Your Pension Update

Defined Contribution (DC) Section

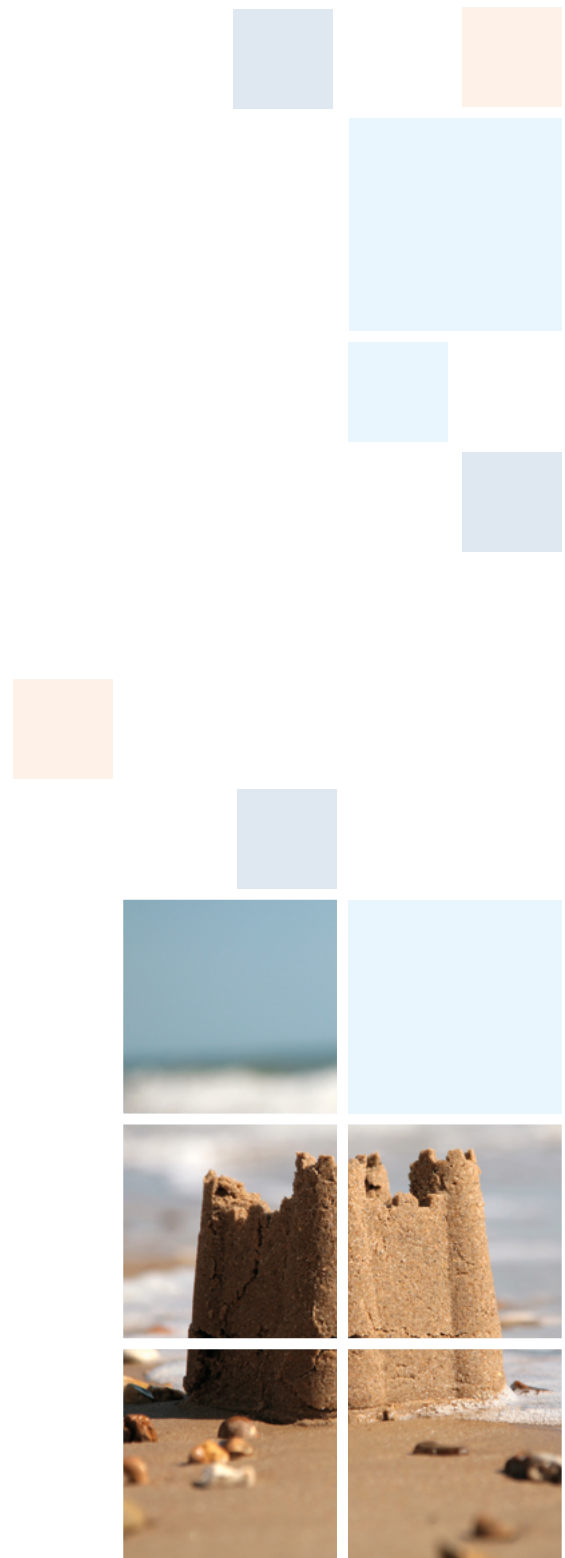


# What's inside?

In this year's edition we bring you the up to date pension news; including changes to pension services, a recap on what to look out for to avoid pension scams and updates to pension related rules, as well as the usual facts and figures.

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# Chairman's message

I am pleased to present the 2019 newsletter for the Defined Contribution (DC) Section of the Hanson Industrial Pension Scheme (HIPS).

As you will have noticed from the front cover, there is plenty for you to read in this year's edition as we aim to keep you well informed about both the Scheme and the world of pensions.

Earlier we held an election for a position on the Trustee Board (the Board) as Andy Taylor retired from his position as Trustee Director. We congratulate Nick Benning-Prince who was elected as a Member Nominated Trustee. I'd like to welcome Nick to the Trustee Board and look forward to working with him.

I would also like to thank Andy on behalf of the members of the Scheme and the Board for all of his hard work and his contribution to the Board over the years. The Board would like to wish Andy a very happy retirement.

In other Scheme news, we continue to work with the Scheme administrators, Capita Employee Solutions (Capita), to ensure the data we hold is as accurate as possible. I would like to encourage you to go to [www.hartlinkonline.co.uk/hanson](http://www.hartlinkonline.co.uk/hanson) to check your personal information is up to date. You can use this site to make changes, such as updating your home address. This also includes updating your expression of wish form which lets the Board know who you would like to receive any discretionary benefits payable on your death. This helps the Board when we have to make decisions on who receives benefits.

You can download an expression of wish form from the Hanson pension website, or by requesting one from Capita.

The online portal is not just a place to update your personal details. You will also find investment information, the ability to run projections of the income you might receive when you retire and much more. You can access our online portal at [www.hartlinkonline.co.uk/hanson](http://www.hartlinkonline.co.uk/hanson)

If you are still to take your pension benefits, you will find your benefit statement enclosed with this year's edition of the newsletter. Your annual statement gives you an updated view of what your fund is worth and provides an estimate of what you may get when you retire. So don't forget to read your statement carefully and make a note of where your fund is invested and how it is performing.

A copy of this newsletter can also be found on [www.hansonpensions.co.uk](http://www.hansonpensions.co.uk) along with further information about the Scheme.

As always, if you have any questions about your benefits or the Scheme please do get in contact. This can be done by contacting Capita, at [hanson@capita.co.uk](mailto:hanson@capita.co.uk)

## Graham Wardle

Chair of the Trustee Board

# Your Trustees and advisors

Earlier this year we invited nominations for a position on the Trustee Board. Andy Taylor retired, and Nick Benning-Prince was appointed as a Member Nominated Trustee.

Your current Trustee directors for HIPS (Trustees) Limited are listed below:

| <b>Company appointed</b>                                  | <b>Member nominated</b> |
|---|-------------------------|
| Graham Wardle (Chairman),<br>representing BESTrustees Ltd | Helen Mayfield          |
| Marc Boone  | Nick Benning-Prince     |
| Brian Charleton   |                         |
| Clare Mayo  |                         |

You are free to contact any of the Trustee Board to discuss general HIPS matters. However, if your question is about individual pension benefits or the administration of the Scheme, please contact Capita in the first instance (see page 12 for their contact details).

|                                       |                                    |
|---------------------------------------|------------------------------------|
| <b>Scheme actuary</b>                 | Jonathan Wicks, FIA – Aon Hewitt   |
| <b>Scheme administrator</b>           | Capita Employee Solutions (Capita) |
| <b>Auditor</b>                        | Ernst & Young LLP                  |
| <b>Banker</b>                         | National Westminster Bank          |
| <b>Legal advisors</b>                 | Travers Smith LLP                  |
| <b>DC investment platform manager</b> | Fidelity Life Insurance Limited    |
| <b>Investment advisor</b>             | Lane Clark & Peacock LLP           |
| <b>Custodian</b>                      | JP Morgan Chase Bank N.A           |
| <b>Scheme secretary</b>               | Pi Consulting (UK) Limited         |

# Scheme membership

The table below shows the membership of the DC section of the Scheme as at 1 January 2018 and how this changed over the year.

## Active members

1 January 2018



31 December 2018



## Deferred members

1 January 2018



31 December 2018

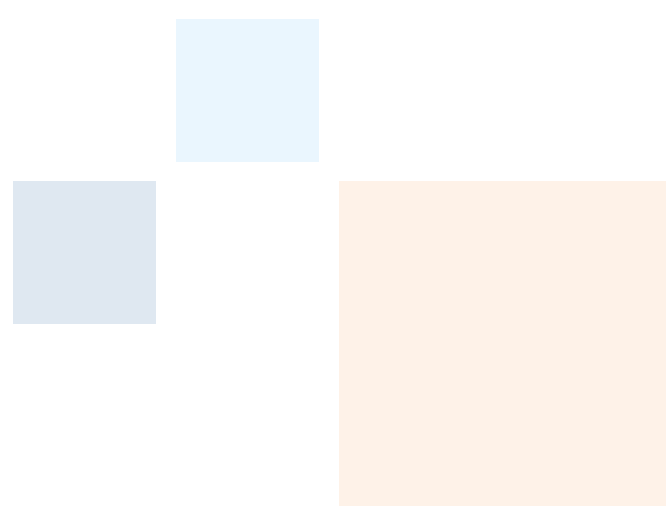


## Pensioner members

1 January 2018



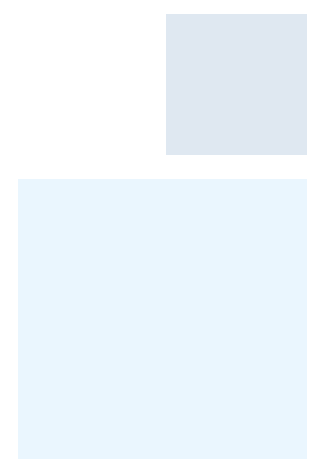
31 December 2018



# Scheme finances

In this section we provide you with an extract from the full accounts for the Scheme. The table below shows the cash activity for the period 1 January 2018 to 31 December 2018.

|                                       | <b>£000</b>     |
|---------------------------------------|-----------------|
| <b>Fund value at 1 January 2018</b>   | <b>203,801</b>  |
| <b>Funds paid in</b>                  |                 |
| Employer contributions                | 15,984          |
| Transfers in                          | 540             |
| Member contributions                  | 1,346           |
| Other income                          | 6               |
| <b>Total paid in</b>                  | <b>17,876</b>   |
| <b>Funds paid out</b>                 |                 |
| Retirement lump sums                  | (870)           |
| Annuity purchase                      | (1,815)         |
| Death benefits                        | (314)           |
| Refunds of contributions              | (38)            |
| Transfers out                         | (6,794)         |
| Administration expenses               | (423)           |
| Other payments                        | (2,050)         |
| <b>Total paid out</b>                 | <b>(12,304)</b> |
| Investment returns                    | 7,769           |
| <b>Net change in fund value</b>       | <b>2,197</b>    |
| Transfers between sections            | (7,151)         |
| <b>Fund value at 31 December 2018</b> | <b>194,453</b>  |



# Investment performance

The investments of the Scheme are managed by the Trustee with the support of their investment adviser and investment managers.

The table below shows the performance of the investment funds which are available to the members in the DC section of the Hanson Industrial Pension Scheme (HIPS) for the past 12 months, three years and five years to 31 December 2018.

If you do not choose your investment funds, your contributions will be paid in to the default fund. You can find out more about the default fund by contacting the administrator Capita, or by logging on to the online portal [www.hartlinkonline.co.uk/hanson](http://www.hartlinkonline.co.uk/hanson)

## Performance:

| Fund name                            | For 12 months (%) | For 3 years (% p.a.) | For 5 years (or since inception) (% p.a.) |
|--------------------------------------|-------------------|----------------------|---|
| <b>'Growth' phase of lifestyles*</b> | -1.5              | 10.7                 | 9.5                                       |
| <b>HIPS world equity</b>             | -3.4              | 11.9                 | 9.7                                       |
| <b>HIPS active diversified</b>       | -7.2              | -2.6                 | -0.7                                      |
| <b>HIPS passive diversified</b>      | -0.7              | 8.9                  | 8.1                                       |
| <b>HIPS UK equity</b>                | -8.4              | 5.9                  | 4.2                                       |
| <b>HIPS fixed interest gilts</b>     | 0.3               | 7.2                  | 9.3                                       |
| <b>HIPS index-linked gilts</b>       | -0.5              | 9.3                  | 9.4                                       |
| <b>HIPS corporate bonds</b>          | -1.5              | 4.4                  | 2.7                                       |
| <b>HIPS money market</b>             | 0.5               | 0.3                  | 0.4                                       |
| <b>HIPS 60:40 global equity</b>      | -7.5              | 8.1                  | 6.4                                       |

### HIPS Property

The property fund was only available from September 2018, therefore no information for one, three and five years is available at this time

*\*The 'growth' phase is for a member invested in the three lifestyles up to 20 years before they plan to retire. We will include longer term returns when available. All performances figures have been provided by Fidelity apart from the five year returns for HIPS UK Equity, HIPS BlackRock 60:40 Global Equity, HIPS Fixed Interest Gilts, HIPS Index-Linked Gilts and HIPS Money Market funds, which have been provided by the underlying investment manager (i.e. BlackRock)*

# Market commentary

The unpredictability of the investment markets were caused by a variety of global concerns including increased trade tensions between the US and China, rising central bank rates, and uncertainty around the outcome of Brexit. These factors caused many major asset classes to produce negative returns.

Equities and emerging markets faced challenges this year producing negative returns and gilt yields also continued to be volatile (risky) with their returns staying close to historical lows. Negative investor sentiment and widening credit spreads sent corporate bond prices down. UK commercial property bucked the trend and delivered a positive performance in 2018.

While the markets did not perform in 2018 as well as had previously been anticipated, the investment markets did pick up towards the end of the Scheme year with equity markets starting to show positive returns, offering an indication of positivity for the forthcoming year. Pensions are a long-term investment and the funds offered by the Scheme have for the most part, continued to give positive returns over the three and five year periods.

You can find out more information about the individual funds in the HIPS investment guide which you can find on the Scheme website [www.hansonpensions.co.uk](http://www.hansonpensions.co.uk) If you are thinking about changing your investment funds, we recommend that you seek financial advice, and you can find an independent financial adviser (IFA) through the Financial Services Register, you'll find their details on page 12.





# Pension news round-up

## Money and Pensions Service

At the beginning of 2019 the government merged three of its current pension advice services into one central provider. This new provider is called the Money and Pensions Service (MAPS). The three current sites that will make up MAPS are:

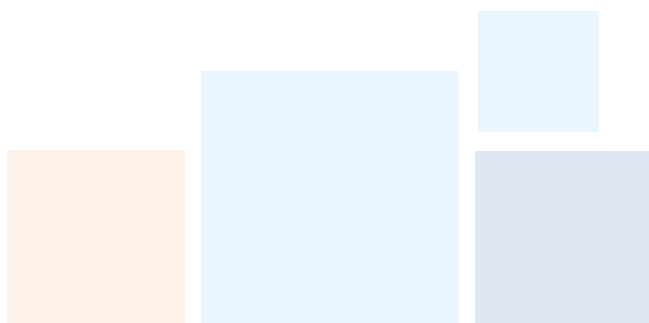
- The Pensions Advisory Service
- The Money Advice Service
- Pension Wise

MAPS aim to reduce duplication between the services, and to bring together expertise across all financial areas for the benefit of those using the service.

MAPS will provide:

- pensions guidance to members of the public
- debt advice and information to members of the public (England only)
- money guidance designed to enhance people’s understanding and knowledge of financial matters
- financial education to children and younger people

You can visit MAPS by typing [www.moneyandpensionsservice.org.uk](http://www.moneyandpensionsservice.org.uk) into your search engine, or web address bar and choosing the Money and Pensions Service website.



## Updates to pension tax allowances 2019 - Annual Allowance (AA)

The AA is the amount of annual contributions you and your employer can make into all of your pension arrangements without incurring additional tax charges. The AA for the 2019/20 tax year is £40,000.

If you’re a high earner you may have a lower, tapered AA. You can check if this applies to you at [www.gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance](http://www.gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance)

If you’re not sure whether you’ve gone over the AA or if you’ll be able to carry over any unused allowance go to [www.tax.service.gov.uk/paac](http://www.tax.service.gov.uk/paac)

## Lifetime Allowance (LTA)

The LTA is the total amount of money you can have across all of your pension arrangements (excluding your State Pension) without incurring additional tax charges. The LTA for the 2019/20 tax year is £1.055 million.

Both the AA and LTA take into account the total value of all your pension benefits and not just those in the Scheme.

If you think you may be close to exceeding the AA or LTA, you should contact an IFA. You can find an IFA who is regulated by the Financial Conduct Authority (FCA) at: [www.register.fca.org.uk](http://www.register.fca.org.uk)

# Pension news round-up

## Money Purchase Annual Allowance (MPAA) updates

The MPAA applies after you've started to flexibly access any of your pensions. For example, if you take flexi-access drawdown from a DC pension arrangement and then continue to contribute to a separate pension arrangement, the separate arrangement will be subject to MPAA. The current MPAA is £4,000 per year and applies to any contributions made from 6 April 2017.

The MPAA does not replace the current AA rules or reduce the normal AA if you haven't started to access your DC pension flexibly.

**Please note that accessing your pension through flexi-access drawdown is not an option offered by the Scheme. If you wanted to access this option you will have to transfer your funds to a provider which offers this option. If you are considering this, we recommend that you seek financial advice. You can find details on page 12 for an adviser.**

## Pension scams

It was made illegal for companies to make unwanted or unsolicited phone calls to people about their pension arrangements from January 2019.

This is to help reduce pension fraud which sees an average of £91,000 taken from victims each year. Some recent research by Action Fraud has shown that some unlucky scam victims have even lost as much as £1 million to unscrupulous fraudsters.

There are a couple of exceptions to the law, where:

- The caller is authorised by the FCA, or is the trustee or manager of an occupational pension scheme; and
- the recipient of the call has previously consented to calls or has an existing relationship with the caller.

If you receive a call from anyone selling pension products be careful what information you share and if you're at all unsure about who you're speaking to then end the call.

If you would like any advice about your pension you should speak to an IFA who is regulated by the FCA. You'll find their details on page 12.

Remember – if it sounds too good to be true, it probably is!

# Pension news round-up

## Don't forget!

We post lots of useful information on our website [www.hansonpensions.co.uk](http://www.hansonpensions.co.uk). This site should be your first port of call for when you need to find out more information about the Scheme.

You can find the following on the website:

- Statement of Investment Principles (SIP)
- Annual Report and Accounts
- DC Chair's Statement

The Trustee is required to produce a yearly statement to describe how it has met certain governance standards, which apply to all DC arrangements. The Chair's statement covers areas such as the default fund and its governance, costs and charges, value for members and trustee knowledge and understanding.

We also post updated Scheme information online. The current version of the Scheme booklet is available online, and an updated version will be uploaded shortly for you to access when you need it.

You can also ask the Hanson administration team for a paper copy of any of these documents should you need them.

## Benefit statements 2019

For Scheme members who have not started to take their benefits, you'll find that you have received your annual benefit statement with this newsletter. Your annual benefit statement is an important document which gives you information about your DC fund and how it has performed over the past Scheme year.

Your statement also gives you an estimate of what your fund may give you when you choose to take a pension from the Scheme. By understanding your pension you put yourself in the driving seat when it comes to your retirement.

Please read through this important document and make sure that the personal details that we have on record are correct.

## Changing your personal details

If your benefit statement has any incorrect personal data, or perhaps you want to change your expression of wish form you can log in to our online portal and update your details.

Simply log on to [www.hartlinkonline.co.uk/hanson](http://www.hartlinkonline.co.uk/hanson) and click on 'personal details'. From here you will be able to make changes to your address and personal information. If you want to change your expression of wish, click on 'expression of wish' on the home page and you will be able to update it from there.

If you've not used the online portal before, registering is easy. Click to sign in and complete the registering form - you will need your National Insurance number to do this. Once you are registered you can update your records online.

If you don't have access to the portal you can still contact the administrators, Capita, to request the forms you need to update your records through the post. Capita's contact details are available on page 12.

# Where can I get more information?

If you would like further information about your pension, or have any comments on this newsletter, please contact Capita using the following details:

**Hanson Industrial Pension Scheme**  
**Capita PO Box 555**  
**Stead House**  
**Darlington**  
**DL1 9YT**

Telephone: **0345 600 0591**  
Email: **Hanson@capita.co.uk**

## Money and Pensions Service (MAPS)

This service brings together the three existing providers of government-sponsored financial guidance in to one place to provide advice on debt, money guidance and pensions guidance. These services provided by the Government are:

- The Money Advice Service
- The Pensions Advisory Service
- Pension Wise

MAPS can be contacted at **[www.moneyandpensionservice.org.uk](http://www.moneyandpensionservice.org.uk)** by email **[contact@maps.org.uk](mailto:contact@maps.org.uk)** or by phone on **0115 965 9570**.

## The Pension Advisory Service (TPAS)

TPAS is an independent voluntary organisation that gives free help and advice to anyone who has an issue with their company or personal pension scheme. TPAS can be contacted on **0800 011 3797** or **[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)**

## The Pensions Ombudsman

If TPAS cannot help, members can contact the Pensions Ombudsman if your complaint is how your pension has been administered. It's a free and impartial

organisation and has legal powers to uphold or reject complaints. They can be contacted by phone on **0800 917 4487**, via email at **[enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)** or you can visit **[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)**

## Pension Wise

This service offers free an impartial government guidance about your DC pension options. Visit **[www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)** for more information or phone **0800 138 3944** to book an appointment.

## Pension Tracing Service

If you have lost contact with a previous pension scheme, you can contact the Pension Tracing Service to try to trace your benefits. The website is **[www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)** or you can phone **0800 731 0193** or **+44 (0)191 215 4491** from outside the UK.

## Financial Services Register

If you need financial advice, you can find an independent financial adviser (IFA) in your area by visiting **[www.register.fca.org.uk](http://www.register.fca.org.uk)**

Please note that an IFA will normally charge you for the advice they provide so you need to check this with them. The Scheme does not cover the cost of any such advice.

## Money Advice Service

This is a free and impartial money advice service set up by the government. Here you'll find plenty of free advice on pensions, including types of pensions and where to get financial advice. Visit **[www.moneyadvice.service.org.uk/en](http://www.moneyadvice.service.org.uk/en)**