



Your Pension Update

Defined Contribution (DC) Section

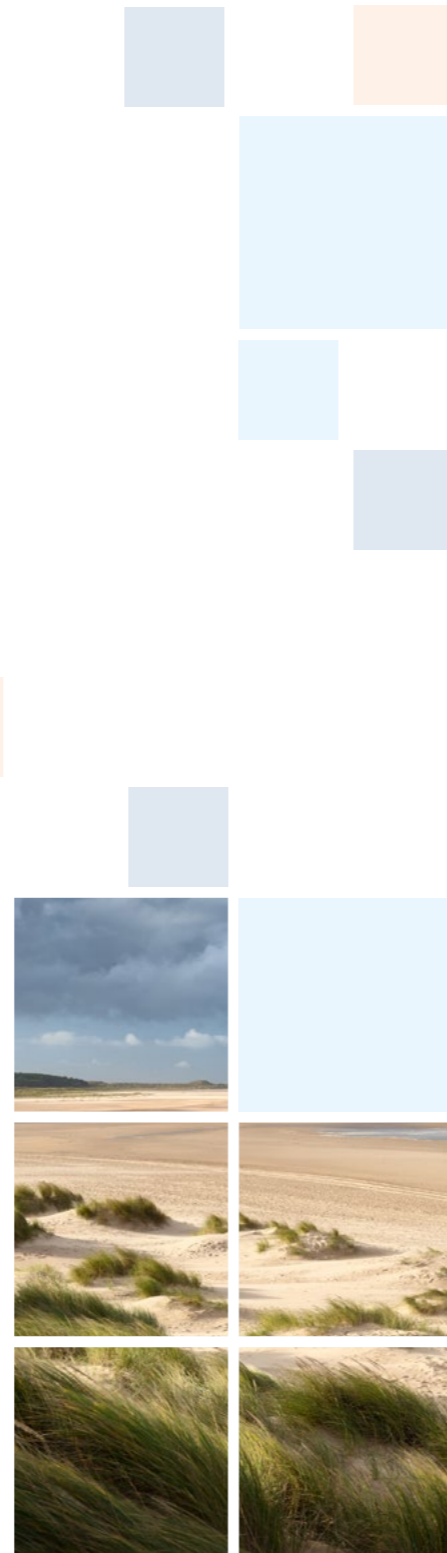


What's inside?

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

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Chairman's message

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

The COVID-19 pandemic and its impact on the world has been at the forefront of everything in our daily lives. The safety of everyone involved in the Scheme has been a priority for us and we wish all members and their families well.

The Scheme administrators, Capita Employee Solutions (Capita) continue to administer the Scheme and we would like to thank them for running the Scheme with minimal impact on performance throughout the height of the pandemic.

You can find general Scheme information on the Hanson pensions website at hansonpensions.co.uk where you'll find the Scheme booklet, investment guide and other important Scheme documents.

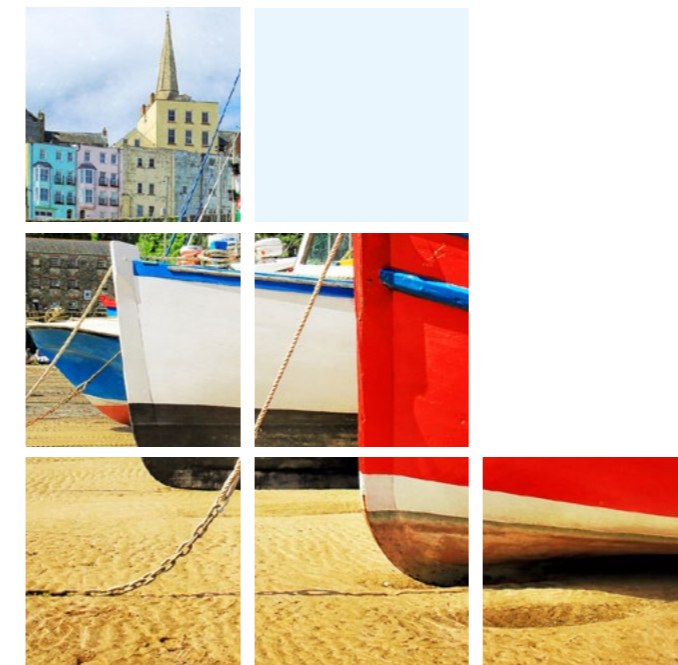
We have also included your annual benefit statement with this newsletter if your benefits are invested in the Scheme. Go to **page 4** to find out more about your benefit statement and the impacts of COVID-19.

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

You can also contact us by phone or post. See **page 16** for these details.

Graham Wardle

Chair of the Trustee Board



What COVID-19 means for your pension?

These have been unprecedented times for investment markets. Not since the banking crisis of 2008 have we seen such volatility in the stock markets. It's important to remember that market volatility is not unusual and it's to be expected throughout economic cycles. What matters is your fund value at retirement.

If you are thinking of making any sort of changes to your pension based on the economic impact of the pandemic, we suggest you seek independent financial advice.

Benefit statements 2020

If you've not taken your benefits yet, you'll have received your latest benefit statement with this newsletter. This is an important document and includes information about your DC fund.

Many investments have been affected by the financial impact of COVID-19. Pensions are a long term investment and short term falls are not uncommon. Most members in the Scheme are invested in the lifestyle arrangements which aim for higher returns in the growth phase moving towards more stable but lower returns closer to the target retirement date.

You can check your fund value at any time by going to hartlinkonline.co.uk/hanson

When you're reading through your benefit statement, don't forget to make sure that the personal details that we have on record are correct and update them if you need to. You can quickly update your personal records online at hartlinkonline.co.uk/hanson See [page 15](#) for more details about updating your records.

Your Trustee and advisers

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

Company appointed

Graham Wardle (Chairman),
representing BESTrustees Ltd

Marc Boone

Brian Charleton

Clare Mayo

Member nominated

Helen Mayfield

Nick Benning-Prince

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 16](#) for their contact details).

Scheme actuary

Jonathan Wicks, FIA – Aon Hewitt

Scheme administrator

Capita Employee Solutions (Capita)

Auditor

Ernst & Young LLP

Banker

National Westminster Bank

Legal advisers

Travers Smith LLP

DC investment platform manager

Fidelity Life Insurance Limited

Investment advisor

Lane Clark & Peacock LLP

Custodian

JP Morgan Chase Bank N.A

Scheme secretary

Pi Consulting (UK) Limited

Scheme membership

The table below shows the membership of the DC section of the Scheme as at 1 January 2019 and how this changed over the year.

Active members

1 January 2019



31 December 2019



Deferred members

1 January 2019



31 December 2019



Pensioner members

1 January 2019



31 December 2019



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 2019 to 31 December 2019.

	£000
Fund value at 1 January 2019	194,453
Funds paid in	
Employer contributions	18,360
Transfers in	490
Member contributions	1,412
Other income	-
Total paid in	20,262
Funds paid out	
Retirement lump sums	- 858
Annuity purchase	- 1,491
Death benefits	- 327
Refunds of contributions	- 3
Transfers out	- 8,010
Administration expenses	- 453
Other payments	- 2,050
Total paid out	- 13,192
Investment returns	35,290
Net change in fund value	42,360
Transfers between sections	- 620
Fund value at 31 December 2019	236,193

Investment performance

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

The chart 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 2019.

If you do not choose your investment funds, your contributions will be paid into 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 hartlinkonline.co.uk/hanson

Fund name	For 12 months (%)	For 3 years (% p.a.)	For 5 years (or since inception) (% p.a.)
'Growth' phase of lifestyles*	22.1	10	11.7
HIPS UK Equity	18.3	6.7	7.4
HIPS World Equity	24.7	10.5	12.8
HIPS World Equity (Currency Hedged)	26.7	-	9.8
HIPS BlackRock 60:40 Global Equity	19	7.7	9.3
HIPS Active Diversified	9.8	1.5	0.9
HIPS Passive Diversified	14.8	6.5	8.8
HIPS Property	11.7	-	4.8
HIPS Fixed Interest Gilts	11.6	4.7	6.6
HIPS Index-Linked Gilts	6.4	2.7	6.5
HIPS Corporate Bonds	9.3	3.9	4.6
HIPS Money Market	0.7	0.4	0.4

*The 'growth' phase is for a member invested in the three lifestyles up to 20 years before they retire. We will include longer term returns when available. All performances figures have been provided by Fidelity apart from the five year returns on the HIPS Corporate Bonds Fund, which have been provided by the underlying investment manager (BlackRock).

Market commentary

Please note that this market commentary is for the period before the COVID-19 pandemic. You can check the current value of your benefits by visiting the Hanson pensions website hansonpensions.co.uk

Over the year to 31 December 2019, global growth prospects deteriorated, with international financial organisations expecting a downturn in growth during 2020. There was uncertainty caused by ongoing trade tensions (most notably between the US and China), along with other geopolitical concerns and weak manufacturing activity.

In response, many major central banks over the course of the year reduced interest rates and / or restarted Quantitative Easing in an attempt to support expansion and boost lacklustre inflation figures.

The UK saw low but positive growth and wage inflation, the Bank of England held base rates steady while indicating its willingness to act should that be necessary. Boris Johnson's election victory appeared to cut the risk of a No-Deal Brexit outcome. However, the commitment not to extend

the Brexit transition period beyond 2020 suggested tensions and volatility may well rise.

You can find out more information about the individual funds in the HIPS investment guide which you can find on the Scheme website, 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 through the Financial Services Register, you'll find their details on [page 16](#).



Pension news round-up

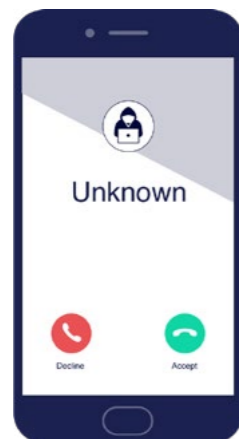
Keep your pension safe

Since the outbreak of COVID-19 there has been an increase in pension related fraud. Sadly the related economic uncertainty means that criminals will try to take advantage by making attractive-sounding promises when people are feeling vulnerable and uncertain about the future.

The Pensions Regulator (TPR), Financial Conduct Authority (FCA) and Insolvency Service have all issued warnings following an increase of 400% in pension scams since the beginning of the pandemic, and Action Fraud has also reported an increasing number of scams with a link to COVID-19.

On average scam victims lose £91,000 from their pension. So, what should you be looking out for? How can you spot a scam?

Step 1 Reject unexpected offers



If you're contacted by a company you've never dealt with before about a pension opportunity, it could be a scam. Pension cold-calling is illegal, so please be very wary, particularly of 'free' pension reviews, ways to take your pension early, and guaranteed investment returns. The Trustee of the Scheme won't ever contact you with deals, offers, or to encourage you to transfer your pension elsewhere.

Step 2 Check who you're dealing with

Search [ScamSmart](#) and check the FCA's register to make sure anyone offering you advice is authorised. If they are authorised, you can check they are allowed to give pension advice by calling the FCA Consumer Helpline on **0800 111 6768**.

If you don't use an FCA authorised firm, you won't have access to any compensation schemes if something goes wrong.

Step 3 Don't be rushed or pressured

Take your time to make all the checks you need and don't be forced to make a decision – even if this means turning down an 'amazing deal'. Talk it over with a family member or a friend you trust if you're feeling unsure and want to consider your decision carefully.



Step 4 Get impartial information or advice

Take financial advice before doing anything with your HIPS pension. You can find an authorised adviser in your local area by going to [fca.org.uk/consumers/finding-adviser](https://www.fca.org.uk/consumers/finding-adviser)

You can also use the Pensions Advisory Service for free independent and impartial information and guidance. If you are aged 50 or over, [Pension Wise](#) is a free and impartial government service which can provide guidance about your DC pension options

If you think you've been contacted by a scammer or criminal enterprise, report it.

You can report an unauthorised firm or scam to the FCA using the online reporting form or you can call them on **0800 111 6768**. If you are worried that you've already paid out money to a scammer, you should report it to Action Fraud on **0300 123 2040** or at [actionfraud.police.uk](https://www.actionfraud.police.uk) straight away.

Please note if you are living in Scotland, all reports of fraud and cyber crime should be made to police via 101. In an emergency, always call 999.

You can find out more about scams and how to avoid them on the FCA's [ScamSmart](#) web pages: [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart) or on [takefive-stopfraud.org.uk](https://www.takefive-stopfraud.org.uk)

Did you know that since the outbreak of COVID-19 there has been an increase of 400% in pension scams. [Click here](#) to watch our new animation to find out how you can protect yourself, your pension and your future from scammers.



Pension news round-up

Your annual limits

In truth few people are ever affected by the annual allowance and the lifetime allowance, but we think that it's useful for you to know what they are and what they could mean for you as you'll see them mentioned in different places.

Lifetime allowance (LTA)

The LTA is the maximum amount of pension savings you can build up over your lifetime across all your pension benefits. If you build up pension savings worth more than the LTA, you'll pay a tax charge on the excess.

The LTA in 2019/20 was £1.055 million but increased to £1.073 million for the 2020/21 tax year. The LTA increases each year in line with inflation, specifically the Consumer Prices Index (CPI).

Annual Allowance (AA)

The AA is the maximum annual amount of pension savings you and your employer can pay into all of your pension arrangements and receive tax relief. You can save more than the limit if you wish; any pension savings in excess of the AA may be subject to a tax charge.

The current AA 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 [gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance](https://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 [tax.service.gov.uk/paac](https://www.tax.service.gov.uk/paac)

Pension news round-up

Tapered annual allowance (TAA)

If you earn over £240,000, your benefits are subject to the TAA. To calculate your earnings, you need to take into account income you receive from all sources, including items such as other savings or investments, rental income, or pensions already in payment, as well as the value of pension contributions that your employer makes on your behalf. The TAA reduces your AA by £1 for every £2 of income over £240,000 you earn, subject to a minimum allowance of £4,000.

If you think you may be close to exceeding the AA or LTA, you should contact an independent financial adviser (IFA). Further details for contacting an IFA can be found at the back of this report. Please be aware that it is your responsibility to check whether you are close to either the AA or LTA. If you have any queries about the value of your benefits please contact the Scheme administrator.

Money Purchase Annual Allowance (MPAA)

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.

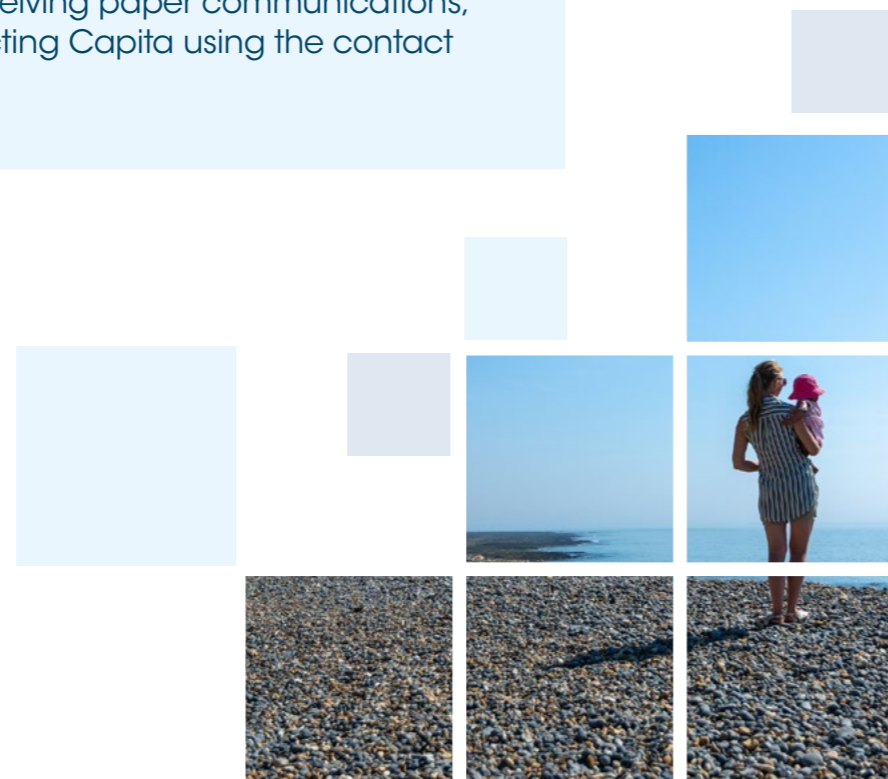
Please note that accessing your pension through flexi-access drawdown is not an option offered by the Scheme. If you want to access this option, you will have to transfer your funds to a provider which offers this option. If you are considering this, we recommend that you recommend you seek financial advice. You can find details on [page 16](#) for an adviser.

Don't forget! Keep in contact

We want to send more of our Scheme communications electronically, so we have another way to keep you up to date with the Scheme and make sure you're getting the latest news as soon as it is available. Not only that, but by reducing the volume of paper communications we print and send by post we can also make a positive impact on the environment.

If you'd like to receive Scheme communications, like your benefit statements, directly to your personal email inbox, you can register for your secure online pensions account at hartlinkonline.co.uk/hanson and we'll send all future communications to your email address, unless you tell us otherwise.

If you'd prefer to continue receiving paper communications, please let us know by contacting Capita using the contact details on [page 16](#).

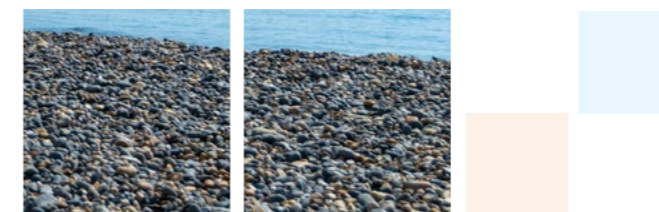


Finding Scheme information

If you need to find information about the Scheme, make hansonpensions.co.uk your first port of call. On the site you'll find the following:

- **Statement of Investment Principles (SIP)** – This is a statement which details the details the decisions Trustee makes about the kinds of investments available for the Scheme, the balance between the different kinds of investments, the risks and how they are measured. From October 2020 there will be more information about the Trustee investment policy.
- **Annual Report and Accounts** – Details of the Scheme's accounts and actuarial report.
- **DC Chair's Statement** – The regulatory annual statement from the Trustee 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.

You'll also find lots of other Scheme information online such as the latest Scheme booklet at the click of a button.



Changing your personal details

If any of your personal data is incorrect on your benefit statement, you want to change your address or update your expression of wish form, log on to our online portal at

hartlinkonline.co.uk/hanson click on 'personal details' or 'expression of wish' and update your details.

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 16](#).

Where you can 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 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 **moneyadviceservice.org.uk/en**

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 **moneyandpensionservice.org.uk** by email **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 **pensionsadvisoryservice.org.uk**

Where you can get more information

Pension Wise

This service offers free an impartial government guidance about your DC pension options. Visit **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 **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 **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.

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** or you can visit **pensions-ombudsman.org.uk**