



Your Pension Update

Defined Contribution (DC) Section



What's inside?

Welcome to your annual newsletter for the Hanson Industrial Pension Scheme (HIPS) Defined Contribution Section (DC) (the Scheme).

In this year's newsletter, we take a look at the most up to date pension news, including changes to data privacy laws, what to look out for to avoid pension scams and updates to a number of pension related rules, as well as the usual facts and figures.

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Chairman's welcome

Welcome to the annual newsletter for members in the Defined Contribution (DC) Section of the Hanson Industrial Pension Scheme (HIPS).

Looking after your retirement savings is a duty we take very seriously but you also have an important part to play, as you decide on how much you save into the Scheme and how it is invested. You are able to look at your pension savings, an estimate of the pension that your savings are expected to provide for you and how they are invested. This can be done by viewing your personal account which is accessed at the following link:

www.hartlinkonline.co.uk/hanson

We also send you an annual statement that provides details of how much you have saved, where the monies are invested and an estimate of what you might expect when you retire. This statement is being sent to you at the same time as this newsletter. Please read it carefully as it provides a lot of information on your benefits in the Scheme.

Over the year we implemented the investment changes agreed following the review we undertook. Whilst we do not expect to make frequent changes to the investments, we will continue to review the investments and, when appropriate, we will make changes.

Last year, we invited nominations for the position of a trustee on our trustee board and I am pleased to let you know that Helen Mayfield was re-appointed as a member nominated trustee. She will serve as a trustee for a further four years. Details of the current trustee directors can be found on page 4.

A copy of this newsletter can also be found on www.hansonpensions.co.uk

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

Graham Wardle



Your trustees and advisors

Your current trustee directors are listed below:

Company appointed	Member nominated
Graham Wardle (Chairman), representing BESTrustees plc	Helen Mayfield
Marc Boone	Andy Taylor
Brian Charleton	
Clare Mayo	

You are free to contact any of the trustees 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).

Scheme actuary	Jonathan Wicks, FIA – Aon Hewitt
Scheme administrator	Capita plc
Auditor	Ernst & Young LLP
Banker	National Westminster Bank
Legal advisors	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 and finances

The below shows the membership of the DC Section of the Scheme as at 1 January 2017 and how this changed over the year.

Active members

1 January 2017



31 December 2017



Deferred members

1 January 2017



31 December 2017

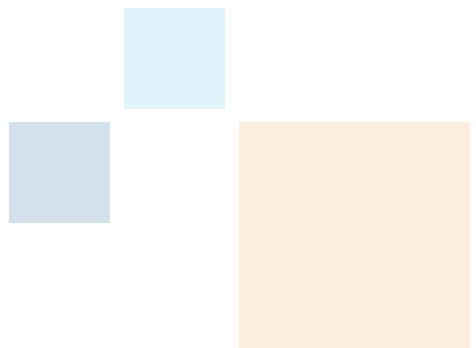


Pensioner members

1 January 2017



31 December 2017



Scheme membership and finances

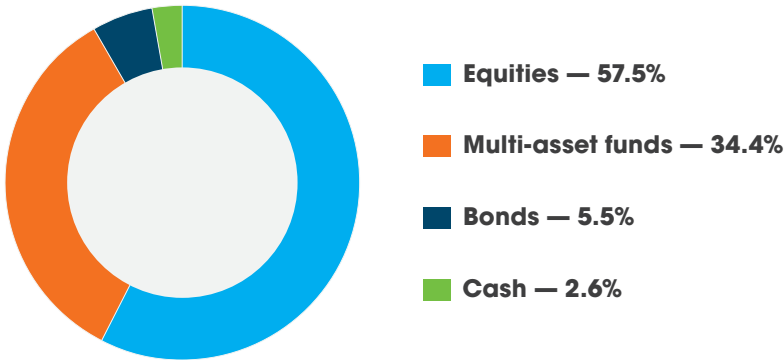
£000

Fund value at 1 January 2017	180,862
Funds paid in	
Employer contributions	14,247
Transfers in	505
Member contributions	1,226
Total paid in	15,978
Funds paid out	
Retirement lump sums	(809)
Annuity purchase	(1,185)
Death benefits	(559)
Leaver benefits	(4,601)
Administration expenses	(385)
Total paid out	(7,539)
Investment returns	14,500
Net change in fund value	22,939
Transfers between sections	-
Fund value at 31 December 2017	203,801

Investment performance

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

The chart below shows the asset class split for all investments in the DC Section as at 31 December 2017.



Performance:

Fund name	For 12 months (%)	For 3 years (%)	For 5 years (or since inception) (%)
HIPS world equity	12.4	14.9	14.0
HIPS active diversified	3.1	1.3	1.6
HIPS passive diversified	6.1	9.9	10.9
HIPS UK equity	12.9	9.9	9.6
HIPS fixed interest gilts	3.2	7.0	7.9
HIPS index-linked gilts	2.4	8.8	9.6
HIPS corporate bonds	4.4	5.2	4.4
HIPS money market	0.1	0.3	0.4
HIPS 60:40 global equity	13.8	12.3	12.5

Investment performance

If you're more than four years away from your Target Retirement Age (TRA), the funds that currently make up the default HIPS drawdown lifestyle options are:

- HIPS world equity fund
- HIPS active diversified fund
- HIPS passive diversified fund

By the time you reach your TRA, your fund split will be:

- HIPS active diversified fund (37.5%)
- HIPS passive diversified fund (37.5%)
- HIPS money market fund (25%)

Please refer to the HIPS investment guide for more information on the funds which can be found on the Hanson pension website www.hansonpensions.co.uk

Some long standing members of the Scheme may be invested in the old default lifestyle option. If so, their investment split will differ from that explained above. The old default lifestyle option is not open to new participants.

As you get closer to your TRA, the percentage of units allocated to each fund will change, with a gradual move into lower risk investment assets.

It's important to think about your TRA in order to make the most out of your retirement. When choosing your TRA, you may have to take a number of things into account, but as a starter, you should think about:

- Will you have sufficient savings to support the type of lifestyle you want when you retire?
- When do you want to retire?
- If your decision is to continue working, are you able to afford leaving your retirement savings where they are and continue paying into it?
- Have you thought about your State Pension and how that will contribute to your retirement income?



Pension news round-up

GDPR

The European Union's General Data Protection Regulation (GDPR) became effective in the UK on 25 May 2018. Its purpose is to create a modern data protection regime, updating the previous regime that was introduced in 1995. GDPR introduced changes to how your personal data is used and protected, and the rights that you have in respect of your data. Although the overall framework of the law is similar to the previous UK requirements, the way in which the Trustee has to demonstrate compliance will change. The Trustee holds personal data about you in its capacity as a 'data controller', which it uses to contact you, calculate and pay your benefits, and administer the Scheme generally. As a data controller, the Trustee has obligations under GDPR that it will need to comply with which relate to how data is stored, how and why it is used and how it is shared with third parties.

You have a number of rights under the Data Protection Laws in relation to the way we process your personal data, namely:

- To access your data
- To have your data rectified if it is inaccurate or incomplete
- In certain circumstances, to have your data deleted or removed
- In certain circumstances, to restrict the processing of your data
- To claim compensation for damages caused by a breach of the data protection laws

If you wish to exercise any of these rights, please let us know.

More information on the GDPR can be found on the Information Commissioner's Office website, <https://ico.org.uk>

You can find the Hanson privacy notice can be found on the Hanson pension website www.hansionpensions.co.uk



Pension news round-up

State Pension age

On 19 July 2017, the Government announced plans to bring forward the increase in State Pension age. It was initially planned that the State Pension age would increase to 68 by 2046; however that has now been brought forward to 2039. The change is expected to save the Government around £74 billion.

People who were born between 6 April 1970 and 5 April 1978 will be affected by this change, and will now have to work approximately one year longer before they are entitled to their full State Pension.

Annual Allowance (AA) and Lifetime Allowance (LTA)

The AA is the amount of annual pension contributions your employer and you together can make into all of your pension arrangements without incurring additional tax charges. The AA for the 2018/19 tax year is £40,000. Also, those who earn over £150,000 have their pension benefits subject to a tapered AA, which could see their AA reduced to a minimum of £10,000.

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 2018/19 tax year is £1.03 million.

For both allowances, the total of all your pension benefits is affected and not just those in the Scheme.

If you think you may be close to exceeding the AA or LTA, you should contact an independent financial advisor (IFA). Further details for contacting an IFA can be found at the back of this report.

Money Purchase Annual Allowance (MPAA) updates

The MPAA was introduced on 6 April 2015 and was set to £10,000 p.a. The MPAA is the version of the AA which applies after you have started to flexibly access any of your DC pensions.

The Government have since reduced this figure to £4,000 gross p.a. and applies to any contributions made from 6 April 2017.

The MPAA does not replace the current AA rules (or reduce the normal annual allowance, if you have not started to access your DC pension flexibly).

Pension news round-up

Pension scams

Unfortunately, there has been a continued rise in the number of fraudsters trying to get hold of your pension benefits and we wanted to issue a reminder of what to look out for. The consequences faced by victims of pension scams are severe. In most cases, once a fraudster gets hold of your money, it is unlikely that you will ever see it again.

Be very wary if you experience, or someone offers you, any of the below:

Free pension reviews

As of 31 December 2012, financial advisers have been banned from accepting commission from providers on products such as investments and pensions. No adviser works for free.

Legal loopholes

Unless you are a member of a specific scheme with a protected normal retirement date of lower than age 55 or are suffering from ill health, you cannot withdraw your pension before age 55. There are no legal loopholes and any company that claims that they can access your pension benefits legally before age 55 is not legitimate.

Cold calling/texting

The Government has now made cold calling in regards to pension benefits illegal, even if you have a policy with that provider.

Courier delivered documents with a request for immediate signature

Never be rushed into making any decision. Always read over any paperwork given to you by an adviser and make sure you understand everything before signing it.

Convincing marketing materials promising over 8% returns

If it seems too good to be true – it probably is!

Transferring overseas

Overseas investments are not always regulated by the Financial Conduct Authority (FCA). There have also been tighter regulations on transferring to overseas pensions schemes which were introduced in 2017.

Remember; never be rushed into making a decision. Check that the firm you are transferring to is approved by the FCA (<https://register.fca.org.uk>) and report any suspicions of fraud to Action Fraud on **0300 123 2040**.

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
Hartshead House
2 Cutlers Gate
Sheffield, S4 7TL**

Telephone: **0345 600 0591**
E-mail: **Hanson@capita.co.uk**

The Pension Advisory Service (TPAS)

TPAS is an independent voluntary organisation giving 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**

The Pensions Ombudsman

If TPAS cannot help, members can contact the Pensions Ombudsman who may investigate and determine any complaint or dispute of fact or law in relation to a pension scheme. The Pensions Ombudsman can be contacted on **0207 630 2200** or **www.pensions-ombudsman.org.uk**

The Pensions Regulator

The Pensions Regulator works with scheme trustees, managers and employers to ensure that schemes are run properly. It has a range of powers which enable it to be very effective in dealing with risks to a pension scheme

or to members' benefits. It issues detailed guidance on how it expects schemes to be run and can intervene if necessary.

Then Pension Regulator's website is: **www.thepensionsregulator.com**

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**, or you can call **0800 731 0193** or **+44 (0)191 215 4491** from outside the UK.

Unbiased

If you need financial advice, you can find an independent financial adviser (IFA) in your area by visiting **www.unbiased.co.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.

Pension Wise

The Government's service, set up to help guide members of defined contribution and additional voluntary contributions (AVCs) arrangements when making decisions about what to do with their pension investments when they retire. For more information, visit **www.pensionwise.gov.uk**