

Pensions Talk

Your TSB Pension Scheme newsletter



Introduction

Welcome to your 2018 issue of 'Pensions Talk'.

We've got some useful pension updates for you, along with all the latest news on the Scheme including:

- Partners missing out on free money from TSB
- General Data Protection Regulation – privacy statement
- Member Web online access
- Your nomination form
- Pension Wise support
- Pension scams
- 2017 Annual Report and chairman's statement
- Pension tax

I hope you find it all useful. Please get in touch and let our Scheme administrator, Equiniti, know if you've got any feedback, or if there's any other information you'd like to see in future issues. You can find their contact details on the back page.



David Curtis
The Law Debenture Pension Trust Corporation plc
Trustee of the TSB Pension Scheme



Partners missing out on free money from TSB

No this is not fake news. The headline sounds sensationalist and shocking but it's true. Over half of our Partners are missing out on top-ups to their pension contributions from TSB.

We auto enrol all new joiners into the TSB Pension Scheme with a 3% monthly contribution, and TSB pays 8%. If you increase your contribution by just an extra 2%, to make it 5%, then TSB will pay 13% into your pension account. That's a buy one get two and a half free! See the contribution rates below.

You pay	+	TSB pays	=	Total into your pension
3%		8%		11%
4%		10%		14%
5%		13%		18%
6%+		13%		19%+

Note: contributions are based on % of your basic pay

The increase in your contribution will actually cost you less than you think, as you'll also be saving on tax and National Insurance, which makes this an even better deal. See the last two columns in the table below. If your Basic Pay is £20,000 pa, and you increase your pension contributions from 3% to 5%, your net monthly take home pay will reduce by £23 (assuming you pay 20% tax and 12% National Insurance), but your pension pot will be boosted by £117 a month. That's an extra £1,400 a year going towards your retirement saving and income when you stop working!

Your Basic Pay (pa)	Each month you pay	Each month TSB pays	OR	Each month you pay	Each month TSB pays	Increase to your gross monthly contributions	Reduction to your net monthly pay	Monthly increase to your pension account
	3%	8%		5%	13%	3% to 5%		
£20,000	£50	£133		£83	£217	£33	£23	£117
£30,000	£75	£200		£125	£325	£50	£34	£175
£40,000	£100	£267		£167	£433	£67	£45	£233

Once you've read this, hopefully you'll be thinking of increasing your pension contributions to 5% – and the great news is you don't need to wait until the next Flex annual enrolment period to make a change. You can change your contributions at any time. Just log in at tsbflexiblebenefits.co.uk or call the Flex team on **0371 384 2920 (option 3)** to find out how to do this.

You may want to get financial advice or guidance before deciding to change your contribution rate.

General Data Protection Regulation (GDPR) – Privacy Statement

The EU General Data Protection Regulation or 'GDPR' is the most important change to data protection and privacy law for 20 years. It comes into force in the UK on 25 May 2018. Any business or organisation dealing with your personal data will have more demanding rules to follow to allow them to carry on processing your information.

As part of these new rules the Trustee is required to provide a 'privacy statement' to all members and beneficiaries whose personal data is processed by the TSB Pension Scheme. You can find this online at tsbpensionscheme.co.uk/pensions_talk Or, if you'd like a paper copy, please ask Equiniti for one. You can find their contact details on the back page.

Member Web – online 24/7 access to your TSB pension account

Don't forget you can login and use Member Web, your online 24/7 access to your TSB pension account, anytime. You can see the current value of your pension savings and how much you could get on your retirement.

If you've forgotten your login details or haven't registered to use Member Web yet, please call Equiniti on **0345 266 9214 (option 2, then option 1)**.



Is your nomination form up to date?

It's important for the Trustee to be aware of your wishes in the event of your death.

If your circumstances have changed or you haven't completed a nomination form (or you're unsure), please do so. You can download a nomination form from the forms section of the library on the Scheme website tsbpensionscheme.co.uk



Full details of the Scheme are available at tsbpensionscheme.co.uk 24 hours a day, 7 days a week.



Pension Wise – free and impartial guidance

Here's a top tip if you're aged 50 or over and thinking about retiring soon. Pension Wise is a Government service that offers free and impartial guidance to help you understand your options at retirement.

You can go to www.pensionwise.gov.uk, call **0800 138 3944** (or **+44 20 3733 3495** if outside the UK), or book a face to face appointment. Find your local guidance provider at www.pensionwise.gov.uk/book-face-to-face

Why not take a look at the guidance and think about taking independent advice to help you decide which option is best for you?

Pension scams

Your pension may be one of your most valuable assets. Unfortunately criminals targeting your pension are on the increase, evolving and becoming more sophisticated.

A pension scam – when someone tries to con you out of your pension savings – will often start when a company or individual:

- Contacts you unexpectedly (known as a 'cold call') about your pension savings by phone, text message, email, visiting you in person, or another way.
- Says that you can access your pension money before 55 and they can help you with this.
- Encourages you to take out a large lump sum, or your whole pension pot in one go, and to let them invest it for you.
- Asks you to transfer your money quickly, even sending documents to you by courier – never make a rush decision about your pension money.

- Uses words like 'pension liberation', 'loan', 'loophole', 'free pension review' or 'one-off investment'.
- Offers you an investment described as 'unique', 'overseas', 'environmentally friendly', 'ethical' or in a 'new' industry.

We wouldn't want you to lose this valuable asset or face a large tax bill from HMRC. Read more about avoiding pension scams on www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx

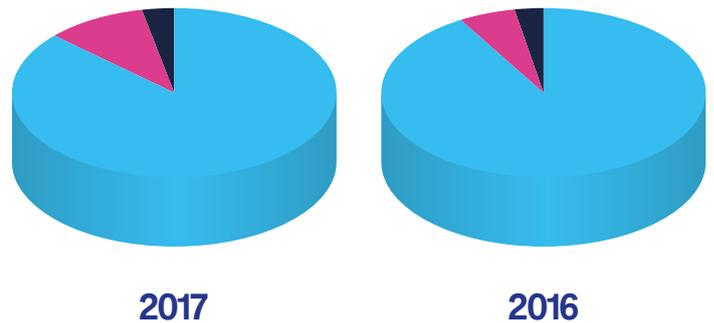
If you're considering transferring your benefits out of the Scheme, you can find out more about the dangers of pension scams at: www.pensionsadvisoryservice.org.uk/content/publications-files/uploads/pension-scam-leaflet_2_page.pdf



Summary of 2017 Annual Report and Chairman's statement

Here's a summary of the Scheme's Annual Report. If you want to see the full version, please get in touch with Equiniti – you can find their contact details on the back page.

Membership at 31 March	2017	2016
Members in service	8,496	8,086
Deferred members	980	498
Life cover only members	314	254
Total	9,790	8,838



Value at 31 March	2017	2016
Income	£'000	£'000
Contributions	31,669	33,253
Transfers-in	1,381	1,675
Other income	954	259
Return on investments	14,058	(1,565)
Total	48,062	33,622

Expenditure		
Benefits paid	(1,310)	(531)
Payments to leavers	(2,088)	(1,333)
Administration expenses	(734)	(950)
Total	(4,132)	(2,814)

Net Increase for the year	43,930	30,808
----------------------------------	---------------	---------------

Net assets at 1 April	67,330	36,522
Total value at 31 March	111,260	67,330



The total membership of the Scheme on 31 March 2017 was 9,790 members.



Investments

Zurich Assurance Limited holds all the investment funds in the Scheme on its investment platform. Legal & General Investment Management and BlackRock are the underlying fund managers.

You'll find a description of each of the 14 funds offered to members of the Scheme and the "Life Plan" strategies in the 'investment' section of the Scheme website tsbpensionscheme.co.uk And, the current charge for each fund is shown in the 'fund charges' section.

You can read fund factsheets with performance details for each of the 14 funds at <http://webfund6.financialexpress.net/clients/zurichcp/portfoliopricetable.aspx?schemeID=57>

In October 2017, Lloyds Banking Group announced they'll acquire Zurich's UK Workplace Pensions and Savings Business. As the TSB Pension Scheme uses Zurich's investment platform we want to make sure members know about the announcement.

The transaction will result in Scottish Widows (the pension provider which sits within Lloyds Banking Group) managing around £140 billion of assets and being one of the largest providers of workplace pensions. The acquisition is expected to be partially complete by the end of March 2018, with subsequent completion and transfer of assets following the required regulatory approvals.

It is anticipated that some changes will be made when the deal completes, such as a rebranding from Zurich to Scottish Widows. We'll continue to monitor things and let you know if there will be any impact on the TSB Pension Scheme.



Chairman's statement

You can read the latest chairman's statement for the Scheme year online at tsbpensionscheme.co.uk/pensions_talk

It covers several topics, including:

- The investment principles of the default fund (contained in the Statement of Investment Principles for the Scheme), when this was last reviewed by the Trustee, and any changes.
- How the Trustee has made sure there are prompt and accurate financial transactions.
- The level of member-borne costs and charges, and the Trustee's assessment of whether these (and other costs paid for by TSB) represent value for members.
- How the Trustee makes sure it has the appropriate knowledge and understanding to exercise its role as Trustee.



Pension tax

One benefit of paying into a pension scheme is that you get tax relief on the contributions you pay in. But there are limits to how much you can build up in a pension scheme in the UK and still benefit from tax relief.

Most people won't be affected by these limits. But you're personally responsible for checking and letting HMRC know if you have exceeded them (through your tax self-assessment).

The Annual Allowance (AA)

The AA is the total amount of tax-free pension saving you can make, or have made on your behalf, within the tax year. The AA is currently £40,000. But, for higher earners, since 6 April 2016, their AA may be less than £40,000 – this is known as the 'Tapered Annual Allowance'.

Most people won't be affected by the AA tax charge because their total pension saving won't be more than £40,000 per tax year. If you do exceed the AA, you may have unused allowance from the previous three years that can be carried forward.

The Money Purchase Annual Allowance (MPAA)

The MPAA is the maximum annual amount that can be contributed tax-free to a defined contribution pension, after having taken certain benefits from any defined contribution pension arrangement (this doesn't include small pots less than £10,000 or a flat-rate or increasing annuity). The MPAA from April 2017 is £4,000 pa.

You can find more information on the AA and MPAA at www.gov.uk/tax-on-your-private-pension/annual-allowance

The Lifetime Allowance (LTA)

The LTA is the total value of all pension benefits you can build up over your lifetime without triggering an excess benefits tax charge. If the value of all your pension benefits when you draw them (but not including any State Pension, or any partner's or dependant's pension you may be entitled to) is more than your LTA you'll have to pay tax on the excess benefits.

Many people will be unaffected by the LTA as it is currently £1 million and will increase to £1,030,000 from April 2018. Some may have an enhanced LTA if they have claimed one of the statutory protections available.

You can find more information on the LTA at www.gov.uk/tax-on-your-private-pension/lifetime-allowance
Details of the protections available are at www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance

Useful information for you

You can find full details on the Scheme at tsbpensionscheme.co.uk

Scheme administrators

If you have any questions or would like to give us some feedback, please contact Equiniti:



**TSB Pension Scheme
Equiniti Limited
PO BOX 4945
Lancing
BN99 8LQ**



0345 266 9214



tsbpensions@equiniti.com

Independent professional financial advice

You can get more information and guidance from www.moneyadvice.org.uk



You can find an Independent Financial Adviser (IFA) at www.unbiased.co.uk

