

IN TOUCH

2022/23

HAYS PENSION SCHEME
(THE SCHEME)

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CHAIR'S WELCOME

Welcome to the 2022/23 issue of *In Touch*, the annual newsletter for members of the Hays Pension Scheme (the Scheme).

It's been a year of events; the war in Ukraine, the Queen's Platinum Jubilee and sad death, a new King and new Prime Ministers, and more recently turbulent times in the investment markets. With all this change and disruption I'd like to begin this issue of *In Touch* with a reassurance that payment of the Scheme benefits you're receiving or have built up remain unaffected. Your pension remains safe.

We'd still like to encourage you to go green for online communications. Simply send an email with the subject line '*In Touch* newsletter' to hays.data@equiniti.com and ensure you provide the following information:

- Full name
- Date of birth
- Home address

This information will enable Equiniti to locate your record and add your email address straight from your original email. This will ensure that you receive future *In Touch* newsletters electronically.

I'll finish this year's welcome with a reminder that the long-term plan for the Scheme is to secure members' benefits with an insurance company.

The buy-out is still some way off as we need to ensure that the Scheme has enough assets to cover the cost of securing all members' benefits with an insurer.

You can find the February 2021 letter that we originally sent you about the Scheme's long-term plans at www.hayspensionscheme.com/document-store and select the 'Long Term Strategy' link.



If you have any questions after reading this issue of *In Touch*, or you'd like to find out more about the Scheme, visit us at www.hayspensionscheme.com. Alternatively, you can contact the Administration Team or Pensions Manager, using the details on the back page.

As ever, we love hearing from you, so if you have any feedback about this newsletter please share it with us.

Sean Burnard
Chair of the Trustee Board

LATEST NEWS

AVOIDING SCAMS

Escalating financial pressures during the cost-of-living crisis mean that people are increasingly susceptible to being exploited by scammers.

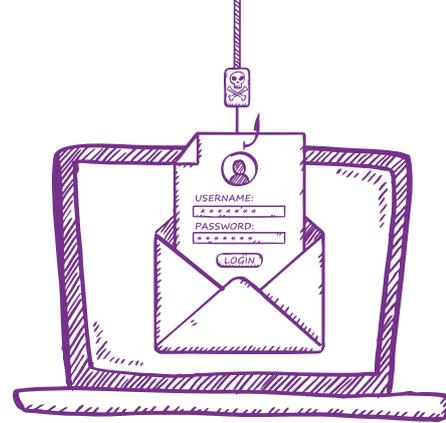
In the year ending March 2022, the Crime Survey for England and Wales suggested that 5.3 million fraud offences were committed – up 17% from the year ending March 2021. So it's even more important than ever that you know how to protect yourself by being able to identify the signs of a scam.

SPOTTING SCAMS

There are several things you can look out for:

- Does the offer they're making seem too good to be true?
- Do you know the person contacting you – how have they got hold of your details?
- Are they pressuring you to take up their offer urgently?
- Are they asking you to give them personal information – address, bank account details, National Insurance number, etc.?
- Are they offering you something to make you feel that a decision to accept is necessary, urgent and vital?

To help keep your money safe from scams, download the Which? Scams Protection Checklist at www.which.co.uk/consumer-rights/advice/how-to-spot-a-scam



COMMON SCAMS

Rebate scams – a text or email claiming to be from the local Council, Ofgem or HM Revenue and Customs with links to websites asking people to input their personal information (including bank details) in order to claim rebates for Council Tax, Income Tax or energy costs.

Postal scams – text or email from a courier firm or Royal Mail asking for additional fees before a parcel can be delivered. The link takes people to a cloned website asking people to input their bank account details and other personal information.

Bank scams – calls telling you that your bank account has been compromised and that you must move your money into a holding account to protect it, providing you with bank details for you to make the transfer.

Computer scams – cold calls notifying you that you have a computer virus and all data held, including online banking may be hacked and that for a small fee or even free, they can access your computer and remove the virus. Once you allow them access, they can take all of your personal information, including banking details from your computer.

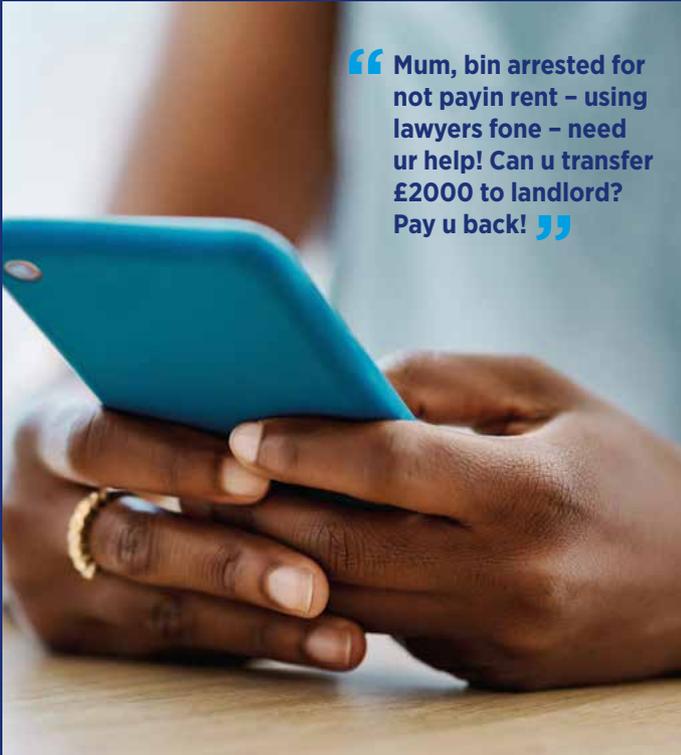
For more examples of scams and how to avoid them, go to MoneyHelper's 'Types of scam' page at www.moneyhelper.org.uk/en/money-troubles/scams/types-of-scam

Keep up with the latest scams by signing up for the free Which? Scam Alerts service at act.which.co.uk/page/103781/data/1

LATEST NEWS (cont...)

JEAN'S STORY

Jean felt her phone buzzing in her pocket. She looked at the screen. She didn't recognise the number but still opened up the message and her heart sank:



“ Mum, bin arrested for not payin rent – using lawyers fone – need ur help! Can u transfer £2000 to landlord? Pay u back! ”

Jean's first reaction was alarm that her daughter Beth was in trouble. But she looked at the message again and spotted spelling and grammatical errors, something Beth was always fastidious about. She also always signed off with a 'B' and a kiss, which was missing from this message.

Jean called the number. A man answered and Jean asked to speak to Beth. He said no, she was being interviewed by the Police and urged Jean to make the payment to Beth's landlord immediately – the sooner she paid, the sooner Beth could get home. He gave Jean the landlord's bank account details and said he'd call her back in five minutes to check she'd organised the transfer.

The fact that Jean was being pressured to pay urgently and that Beth hadn't contacted her directly set alarm bells ringing. She decided to try Beth on the number she normally used for her.

Beth answered almost immediately and was able to reassure her mum that she was fine. She advised Jean to forward the original message to **7726** (which spells 'SPAM' on a mobile phone's keyboard), and to report the incident to Action Fraud on www.actionfraud.police.uk or by calling **0300 123 2040**

She also talked Jean through how to block the scammer's number so he wouldn't be able to contact her again from that phone. Jean's head was spinning, but at least her savings were safe.



LATEST NEWS (cont...)

KEEP YOUR PENSION 'SCAM SAFE'

Nearly £2.5 million was lost to pension scams in the first six months of 2021 says Action Fraud. According to their latest figures, the average loss for each individual was nearly £51,000 – more than double the average the previous year.

We never want this to happen to you, so we'll continue to warn and remind you about pension scams and signpost you to information about how to stay 'scam smart'. Read MoneyHelper's guidance on how to spot the signs of a scam and what to do if you've been targeted at www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam

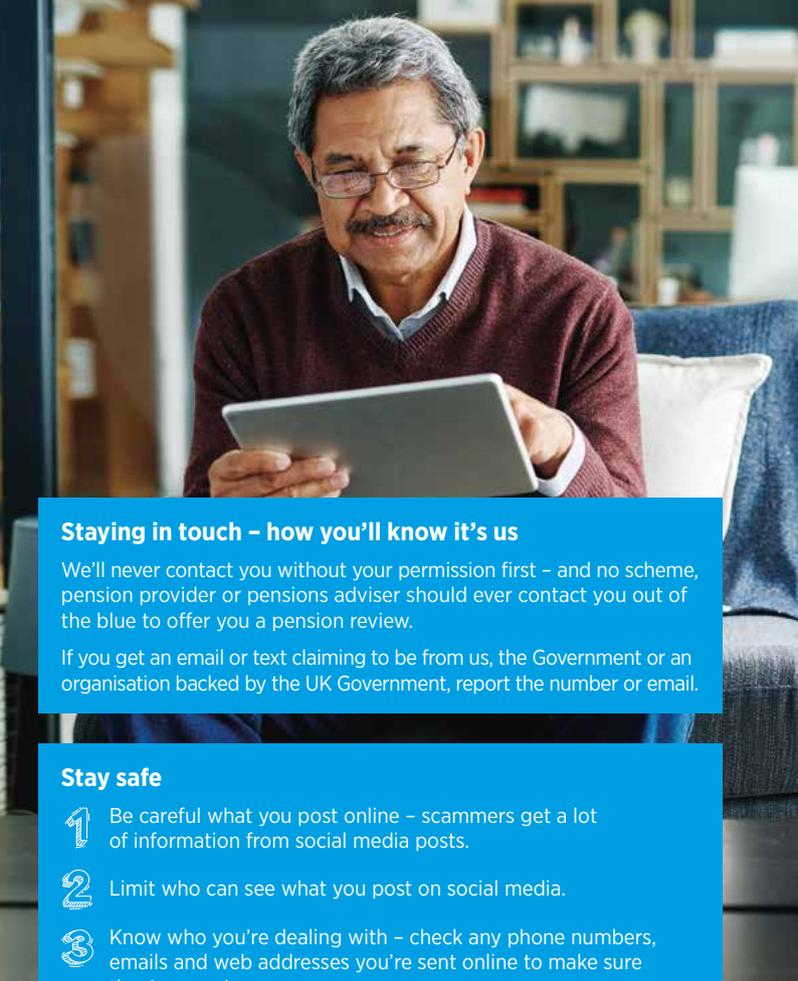
To help in this fight, new transfer regulations came into place in November 2021 which require all pension schemes to make further specific checks before allowing members to transfer their pension savings to another pension arrangement. Most transfers will be straightforward and legitimate, but if the receiving arrangement shows certain risk indicators (for example, there's no employment or residential link between the receiving arrangement and the member, or the member hasn't taken financial guidance or advice), then the Trustee or Scheme Manager can pause or stop the transfer.

Find out more on The Pensions Regulator's website or by scanning the QR code on the right with your mobile phone camera.



In addition, if you're building up defined contribution benefits in another scheme – or you paid additional voluntary contributions in this Scheme – you'll now also be offered a free appointment with Pension Wise (through MoneyHelper) as part of any transfer process. You can opt out of the appointment, but it's there to make sure that you receive appropriate financial guidance before transferring your benefits out of a scheme.

While these new steps will certainly make it harder for scammers to get hold of your pension savings, remaining vigilant and always double checking still remains your best form of defence.



Staying in touch – how you'll know it's us

We'll never contact you without your permission first – and no scheme, pension provider or pensions adviser should ever contact you out of the blue to offer you a pension review.

If you get an email or text claiming to be from us, the Government or an organisation backed by the UK Government, report the number or email.

Stay safe

- 1 Be careful what you post online – scammers get a lot of information from social media posts.
- 2 Limit who can see what you post on social media.
- 3 Know who you're dealing with – check any phone numbers, emails and web addresses you're sent online to make sure they're genuine.
- 4 Use strong passwords on your computer and update them regularly.

KEEP THE MOMENTUM GOING

With energy costs rising and the impact of the ongoing war in Ukraine causing supply disruption around the world, people are having to make incredibly tough choices about how they spend – or save – their money.

According to research by Scottish Widows, nearly 11% of adults have cut back on their pension contributions or stopped contributing altogether. Standard Life has warned that even a year-long pause in pension contributions could result in thousands of pounds less to spend in retirement.

If you're over age 55, you might even be thinking about accessing some of your retirement savings flexibly. But remember that, as soon as you do, the amount you can pay into your pension in the future, without incurring a tax charge could fall to £4,000 per year. Also taking benefits now could affect your eligibility for any means-tested benefits, like Universal Credit.

So, if you can afford to keep contributing into your current pension savings contract, we strongly encourage you to do so. Here are some ways you can manage your finances.

MAKE A BUDGET

Making a budget is one of the best ways you can manage your household's income and outgoings. Money Saving Expert has a free guide and resources on how to plan your budget. Go to www.moneysavingexpert.com/banking/budget-planning to find out more.



ADDITIONAL RESOURCES

Make sure you're accessing all the guidance and support you can:

- **MoneyHelper** – a government-backed service that provides free guidance on how to manage your finances. Access guides, tools and calculators to help you improve your financial future or speak to trained staff by calling **0800 138 7777** or visiting www.moneyhelper.org.uk and using their web-chat facility.
- **Citizens Advice Bureau** – access practical advice and guidance on how to reduce your living costs at www.citizensadvice.org.uk or call **0800 144 8848** to speak to an adviser.
- **Money newsletter from Which?** – navigate rising costs with money-saving tips by signing up for Which? magazine's Money newsletter at signup.which.co.uk/wlp-money-newsletter
- If you receive certain benefits or tax credits, you may also be entitled to a Cost of Living Payment. Find out if you're eligible at www.gov.uk/government/news/millions-of-low-income-households-to-get-new-cost-of-living-payments-from-spring-2023

GMP UPDATE

In last year's newsletter, we told you about the steps we were taking to equalise members' **Guaranteed Minimum Pension (GMP)**.

This year, we're pleased to confirm that we've made good progress and have now equalised the GMP of all deferred members and will have completed the equalisation for the remaining pensioners by the time you read this newsletter.

Once a member's GMP has been equalised and conversion of benefits takes place, the GMP element of a member's pension ceases to exist and is replaced with a New Excess Pension amount.

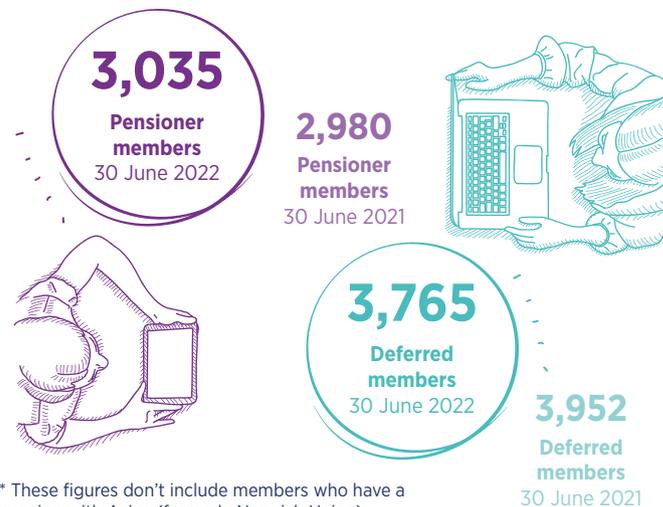


THE FINANCIALS

Below you'll find an overview of the Scheme's membership figures, along with its income and expenditure in the Scheme year as at 30 June 2022.



SCHEME MEMBERSHIP*



SCHEME VALUE

This table shows the value of the Scheme for the year ended 30 June 2022 compared with its value as at 30 June 2021.

Value at the beginning of the year	+ Income	- Expenditure	+/- Returns from investments	= Value at the end of the year
2022 £907.608m	£37.635m	(£40.937m)	(£212.516m)	£691.790m
2021 £969.701m	£39.360m	(£33.923m)	(£67.530m)	£907.608m

THE FINANCIALS (cont...)

INCOME AND EXPENDITURE

	30 June 2022	30 June 2021
Income	£000s	£000s
Company contributions	£16,701	£16,215
Investment and other income	£20,934	£23,145
Total income	£37,635	£39,360

	30 June 2022	30 June 2021
Expenditure	£000s	£000s
Pensions paid	£17,528	£15,164
Lump sum (retirement and death benefits)	£2,768	£2,091
Payments to and in respect of leavers	£16,702	£11,817
Other payments	£47	£29
Administration and investment expenses	£3,892	£4,822
Total expenditure	£40,937	£33,923

KEY POINTS

While the recent market changes and cost-of-living crisis have undoubtedly had a significant impact on UK stock markets, we'd like to reassure you that this does not impact your deferred defined pension benefit or your retirement income from the Scheme. Your pension is a promise to you under the Scheme Rules and doesn't change depending on what is happening in the wider world. However, the assets of the Scheme may be affected by global events and the Trustee has had to manage investments and global risks. The Trustee considers situations such as these and has designed and implemented the Scheme's investment strategy, taking a long-term view. It has built in resilience to withstand short-term fluctuations such as those we experienced towards the end of 2022. The management of the Scheme, together with the factors likely to affect the Scheme's future performance and financial position, are set out in the Annual Report and Accounts. As at 30 June 2022 the value of the assets was estimated to be 96% of the amount needed to cover the Scheme liabilities on a Technical Provisions basis.

£215.818m

decrease in Scheme value
over the year

(£212.516m)

investments returned
over the year



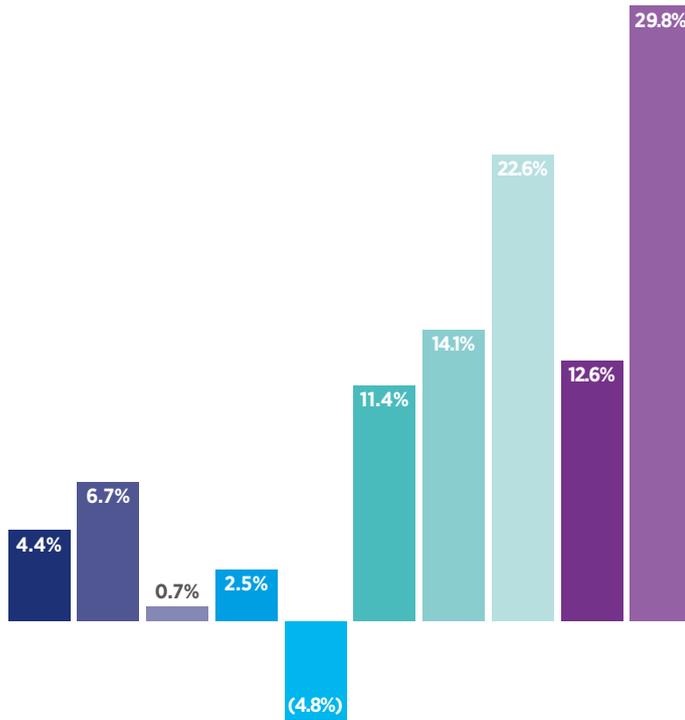
You can find a copy of the full Report and Accounts at
www.hayspensionscheme.com/document-store

If you would like a hard copy of the Report and Accounts, simply get in touch with the Pensions Manager using the contact details on the back page.

THE INVESTMENTS

The Trustee invests its assets to make sure that there is enough money in the Scheme to pay members' benefits both now and in the future.

The Trustee and its investment advisers review the Scheme's investment strategy regularly to make sure that it remains appropriate.



Asset allocation as at 30 June 2022

Synthetic Equity	4.4%
Absolute Return	6.7%
Cash	0.7%
Cash Drawdown Sub-Portfolio	2.5%
Short Cash Exposure	(4.8%)
Global Multi-Asset Credit	11.4%
Property	14.1%
Corporate Bonds	22.6%
Short Dated Corporate Bonds	12.6%
Gilts and Equivalent Bonds (LDI*)	29.8%

*Liability Driven Investments

THE INVESTMENTS (cont...)

INVESTMENT PERFORMANCE

The Scheme's annual investment returns are measured against a target. This is known as a benchmark and it helps the Trustee to measure how successfully the investment strategy is working. You can see the latest performance results in the table below which shows how the Scheme's investments have performed against their benchmark at one, three and five-year intervals.

	Actual	Benchmark
One year	(25.4%)	(25.9%)
Three years	(5.0%)	(5.3%)
Five years	0.1%	0.0%

FUNDING LEVEL

The most recent full actuarial valuation was completed as at 30 June 2021. The annual funding update as at 30 June 2022 showed that the deficit had increased from £23.9 million to an estimated £27.4 million with the value of the assets being 96% of the amount needed to cover the Scheme's liabilities. This is a long way from the Scheme's position when it closed on 30 June 2012 and the Scheme had a deficit of £145 million with the value of the assets being 77% of the amount needed to cover the Scheme liabilities.

Over this period, the benefits for the majority of members were updated following the equalisation of Guaranteed Minimum Pensions (GMPs). For those who have not yet had their benefits equalised as at 30 June 2022, a 1.66% uplift has been applied to deferred liabilities and a 0.92% uplift has been applied to pensioner liabilities for GMP equalisation.

Liability Driven Investments (LDI)

As a result of the market turbulence and rise in Government bond yields following the 'mini budget' in September 2022, many pension schemes encountered liquidity issues after they faced calls for collateral (i.e. cash) to be provided to support their LDI. This is an approach whereby pension scheme assets are invested in a way that is designed to mirror the movements in the scheme liabilities. Despite these events, there has been no material impact to the Scheme's funding level or overall deficit position on a Technical Provisions basis. The Trustee continues to monitor the position on a regular basis and make changes to the Scheme's investment strategy as necessary after taking advice from Mercer Limited, the Scheme's investment adviser.



TAKING YOUR SCHEME BENEFITS

Even though you're no longer contributing to the Scheme, planning how and when you take your benefits takes time and organisation. Here are some suggestions and options for you to consider...

PLANNING YOUR RETIREMENT

When	What to think about	Do
Now	<ul style="list-style-type: none">• What do you want to do in your retirement years and when would you like to retire?• Does your income and expenditure work?	<ul style="list-style-type: none">• Prepare a budget based on your retirement plan.• Obtain up-to-date benefit statements for all pension schemes you're a member of to see if you're on track for the retirement income you want.• Can you save any more?
Every two to five years	<ul style="list-style-type: none">• Review and update your initial plan.	<ul style="list-style-type: none">• Update your budget.• Obtain up-to-date benefit statements for all pension schemes you're a member of to see if you're on track for the retirement income you want.• Can you save any more?
Early retirement	<ul style="list-style-type: none">• Is this an option or consideration you wish to explore?	<ul style="list-style-type: none">• Obtain early retirement quotations from the Scheme's administrator, Equiniti. You can find their details on the back page or at www.hayspensionscheme.com/contact-us• If you decide to take your benefits, then complete and return the paperwork to enable Equiniti to set up your pension and pay the elected cash lump sum.
Approaching Normal Retirement Age: between five and seven months before retiring	<ul style="list-style-type: none">• Equiniti will automatically write to you with your retirement options.	<ul style="list-style-type: none">• If you decide to take your benefits, then complete and return the paperwork to enable Equiniti to set up your pension and pay a cash lump sum elected.• If you decide to delay taking your benefits, then you will need to ask for quotations in the future, but you must take your pension by age 75.

WHAT OPTIONS WILL I HAVE?

The usual options provided to you at retirement (whether it's early, normal or late retirement) are:

1. A full pension.

OR

2. Commencement Lump Sum - this is a tax-free amount and the maximum allowed is always quoted, but you can take a smaller amount, if you wish.

PLUS

3. A residual pension – if you decide to take a smaller lump sum, this would increase your residual pension.

If your pension is very small, it might be possible to take the total pension as a cash lump sum. If this option is available, Equiniti will automatically quote this option to you.

Cash Equivalent Transfer Value (CETV) will also be available to help you to investigate your possible options outside of the Scheme.

WHAT DO I DO ONCE I HAVE RECEIVED MY QUOTATIONS?

The quotation issued will automatically include the forms that Equiniti need you to complete and return depending on whether you wish to take your pension benefits from the Scheme or decide to transfer-out. These include:

- An Option Form – to confirm which option you wish to take.
- A Payment Form – to tell Equiniti your bank account details so that payments can be made.
- A Lifetime Allowance Declaration Form – this tells Equiniti if you have any other pension benefits in payment or will be coming into payment at the same time as your Hays benefits. This form can be confusing but Equiniti are always happy to speak with you if you are having any issues in understanding or completing any forms.

In addition to completion of these forms, documentation will also be required to confirm that we have the right person and that the information held is correct.

Taking your benefits from outside of the Scheme (transferring to another pension arrangement)

Before making your decision, you may wish to investigate taking your benefits outside of the Scheme. The CETV provided in your retirement pack will enable you to investigate alternative options outside of the Scheme.

You'll need to take financial advice and it's possible to obtain this via Origen, at no cost to you, as their fees are paid by Hays plc. You also have the option to use your own financial adviser. Full details are included in the pack.

After reviewing this option, if you decide to take your benefits outside of the Scheme, the transfer paperwork should be completed and returned to your financial adviser who will then communicate with Equiniti to complete the transfer.

Taking your benefits from the Scheme

If however, you decide to take your benefits from the Scheme, you should complete and return the forms and any other documentation to Equiniti who will then set up your benefits and arrange payment of your pension.

MEET YOUR NEW TRUSTEES

The Trustee Board (the Trustee) is responsible for making sure that the Scheme is run in the best interests of you – its members. To do this, the Trustee is responsible for all of the following aspects: the Scheme's investments, administration, the payment of pension and benefits, and ensuring that it complies with pension legislation and regulations. There are currently eight Trustee Directors – four nominated by members, two nominated by the Company, plus independent Chairs of the Trustee Board and the investment sub-committee.

Let's meet our two newest Trustee Directors who joined the Trustee Board in April and July 2021 and find out more about them.

CAROLE HILL

**Member-Nominated Director –
Deferred member**



My interest in pensions was first ignited during my employment with Hays when, as a member of the HR Team, I became involved in administering employee benefits and pension scheme membership. This was the springboard for changing my career path and I seized every opportunity to develop my knowledge and widen my experience in pensions. On leaving Hays, I continued my career in benefits and pensions management roles.

When the vacancy on the Trustee Board arose, it provided an ideal opportunity for me to 'give something back' to a former employer and work colleagues while I continue my pension journey - this time as a Trustee of the Pension Scheme where my pension journey started. I have two key aims: firstly to ensure we communicate with members as effectively as we can, and secondly to expand and improve my investment knowledge by working alongside professionals.

In my spare time, I love walking, doing art and craftwork and crossword puzzles. My husband is also a pensioner member of the Scheme.

JEFF TAYLOR

**Managing Director, Yorkshire & North region –
Member-Nominated Director –
Deferred member**



Over the last 20+ years I've always committed to undertaking additional roles outside of my 'day job' in Hays. Being a member of the Trustee Board provides me with a fabulous opportunity to give a little back and also offer the unique perspective of both being a deferred member and current Hays employee. I've already learned an enormous amount from my colleagues and partners relating to the strategic direction of the Scheme and I bring a complementary, yet independent perspective to the Board, with a focus on the explanation of the Scheme when communicating with members.

In my spare time, I am also a Director of a Multi Academy School Trust in West Yorkshire and when time permits, I enjoy travelling with a particular preference for Spain.

THE PENSIONS DASHBOARD IS ON ITS WAY

Imagine being able to keep tabs on every pension you've built up – all in one place. The Pensions Dashboard will soon allow you to do just that!

Changing jobs is common place, but can make it difficult to keep track of previous workplace pensions that you have paid into. The Pensions Dashboard will make this easy as you'll be able to view all your pension savings, including your State Pension, in one place.

Some of the finer details are still being finalised before it becomes live, but our current understanding is described here.

WHY DO I NEED THIS?

Seeing in one place, all the benefits that you have built up, will make planning for your retirement easier as you'll know what your savings are currently worth. You will also be able to see who to contact when you want to claim your benefits.

HOW WILL IT WORK?

You'll need to provide some personal information – your name, your date of birth, your National Insurance number and possibly your address. Once your identification has been verified, your information will be matched with that of all UK pension providers and where they hold a pension for you, information will be sent back to you.

(Please note, if your name has changed, through marriage or deed poll, and you've not updated all former pension providers of this, you will need to enter your personal information under each name to capture any pension benefits you may hold under your previous name).

WHAT INFORMATION WILL I SEE?

- **Administrative data** – scheme name, the name and contact details of the scheme administrator
- **Value data** – an update on your pension savings
 - As a deferred member of the scheme, this will show the updated deferred pension payable to you at the scheme's retirement date. This will be updated annually and will help in planning and budgeting for your retirement.
 - If you have defined contribution savings, this will show the current value of your account, a *projected* value of your account when you reach the specified retirement age and an estimate of your *projected* income that could be provided.

IS THE DASHBOARD A SECURE WEBSITE?

Yes. The Dashboard won't actually hold any of the data you'll see about your pensions – put simply, it's an interface through which you can view the pension information of any schemes or arrangements that are still holding benefits for you.

WHEN WILL IT LAUNCH?

The Dashboard is due to launch this year with staggered release dates, the largest pension providers like insurance companies being first with smaller schemes following after that.

The Hays Pension Scheme, based on its membership of a little over 6,800 members, will be able to provide pension information via the Dashboard in July 2024.

We're getting ready!

Between now and our dashboard launch date, we are working with Equiniti, the Scheme's Administrator, who are currently building a data platform that can connect with the Pensions Dashboard, to ensure that we can deliver this information. We'll keep you updated.

CONTACT US

For any enquiries about the information in this year's edition of *In Touch*, please contact:

 hays@equiniti.com

 0333 207 5957

 **Hays Pension Administration Team**
Equinti Pension Solutions, Sutherland House,
Russell Way, Crawley, West Sussex RH10 1UH

For other enquiries, or if you would like to see a copy of the full Report and Accounts, please contact the Pensions Manager:

 pensions@hays.com

 0333 010 7079

 Kath Bedford, Pensions Manager
Hays plc, 20 Triton Street, London NW1 3BF

IMPORTANT SCHEME DOCUMENTS

The Trustee has to make certain Scheme documents publicly available - these include the Report and Accounts, the Statement of Investment Principles and its Implementation Statement. You can find these online at www.hayspensionscheme.com/document-store

LOOKING FOR GUIDANCE AND SUPPORT OR IN NEED OF EXTRA HELP?

MoneyHelper

Worried about your finances, debt, benefits or planning for your retirement? Get free, confidential and impartial help from MoneyHelper, on all these topics.

MoneyHelper was introduced to speed up and simplify finding and accessing the right help in relation to money and pensions guidance. It combines the services of three Government-backed financial guidance providers: Pensions Wise, the Pensions Advisory Service and the Money Advice Service.

0800 011 3797

www.moneyhelper.org.uk

You can also talk to an adviser online using the 'Live Chat' function, or there's a helpful form you can complete specifically for pensions guidance which you can access at www.moneyhelper.org.uk/en/contact-us/pensions-guidance/pensions-guidance-enquiry-form

The Pension Tracing Service

Help with finding 'lost' pensions from previous employers

www.gov.uk/find-pension-contact-details

You and your State Pension

Find out how much State Pension you might be entitled to at www.gov.uk/check-state-pension

Check when you can start receiving your State Pension at www.gov.uk/state-pension-age

Find out how to get your State Pension at www.gov.uk/get-state-pension

Other formats

If you struggle to read this newsletter, we'll happily supply it to you in an alternative format. This includes braille, large font and audio recording. Please contact the Pensions Manager if you wish to request an alternative format.