



# IN TOUCH 2020/21

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# CHAIR'S WELCOME

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

This year has unsurprisingly been dominated by the spread of Covid-19. As this is on our minds, we thought that we would take this opportunity to update you on how it has affected the Scheme. You can read more about this on page 5, as well as on the website at [www.hayspensionscheme.com](http://www.hayspensionscheme.com)

Although Covid-19 may be at the forefront of our lives, there are other important topics in this newsletter. As always, you can read about the financials and investments of the Scheme on pages 12-15; and on page 5 we discuss latest news, such as how the Trustee is making the Scheme more sustainable by taking Environmental, Social and Governance (ESG) factors into account.

You'll also find a section on page 8 about planning for retirement. This gives you an idea of how much money you might need and tells you what you can do to make sure you're on track for your target income.

We've also included an important piece on the future of the Scheme. In February, you received a letter about this, which you can also find in the website's document store.

As I'm sure you will know, the Scheme closed to future accrual in June 2012. On page 11, we outline what the future of the Scheme looks like, with a pathway towards securing your benefits with an external provider (buy-out).

Throughout the newsletter, there are references to where more information is available on the Scheme website. For each of these, we've added the following icon:



It's also more important than ever to register for email communications. Having your email address helps ensure that we don't lose contact with you if you move house. If you haven't already done this and are still receiving the newsletter by post, you will have a registration letter enclosed with this newsletter, which contains a unique code. All you have to do is enter your surname, email address and unique code at [www.hayspensionscheme.com/register](http://www.hayspensionscheme.com/register) and then click on the link that we will then send to your email.

Finally, I want to reiterate the advice we have included opposite this page about being vigilant against scams. The pandemic has caused an increase in pension scams, so please take the necessary steps to protect your hard-earned pension.

If you have any questions after reading *In Touch*, or want to find out more about the Scheme, you can visit our dedicated website at [www.hayspensionscheme.com](http://www.hayspensionscheme.com)

Alternatively, you can contact the Administration Team, or Kath Bedford, Pensions Manager, using the contact details on the back page.

We love to hear from you, so if you have any feedback on this newsletter, good or bad, please do get in touch.

**Sean Burnard**  
Chair of the Trustee Board



# WATCH OUT FOR SCAMS

Over recent years, the amount of financial decisions we make online continues to increase. During the Covid-19 lockdowns, many of us have spent more time at home than usual, and spent more time online. It's unsurprising, then, that scammers have also been increasing their efforts and developing new ways to con people out of their hard-earned money, including their retirement savings. Google recently reported that they are blocking over 100 million emails each day, and in June 2020 Action Fraud reported that victims of Covid-related scams have lost over £5 million. Action Fraud alone have received over 11,700 reports of Covid-19 related phishing emails.

## Now more than ever:

### 1 Don't fall for it

The promise of high returns, low risk and or accessing your money now might seem appealing. However, the reality of a pension scam could leave you with nothing, and you could face a high bill from HMRC if you withdraw your savings before age 55.

### 2 Take your time

You should never feel rushed into making decisions about your finances. Would you buy a car on the basis of one short phone call or discuss your finances with a stranger who cold calls? Don't treat your pension, which is most likely worth more than a car and possibly your single most valuable asset, any differently.

### 3 Do your research

When you're weighing up your options, always check out the company on the Financial Conduct Authority (FCA) website at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

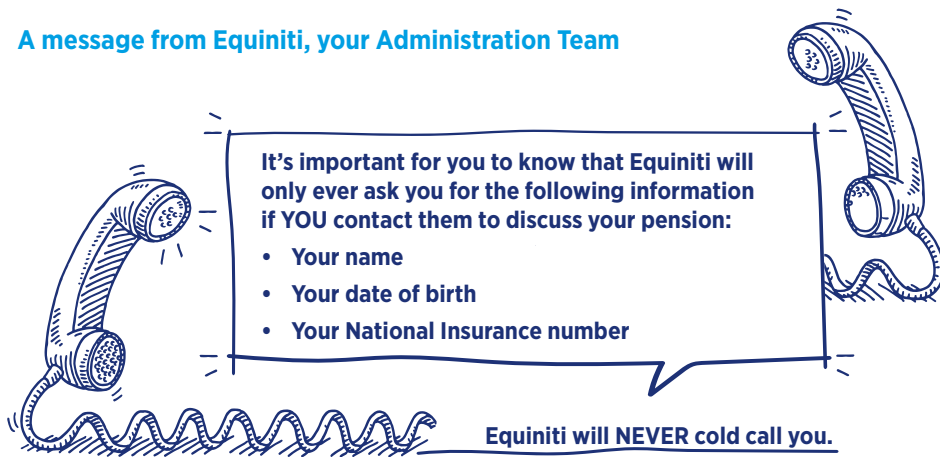
### 4 Be vigilant

Think critically about every 'offer' you see or hear, whether by phone, letter or email. Think twice before opening that suspicious email. Suspicious emails can hide viruses or access your system, gaining potential valuable information like passwords and banking details. It's better to be safe than sorry.



# WATCH OUT FOR SCAMS

## A message from Equiniti, your Administration Team



If Equiniti do call you, it is almost certainly to return your call if your initial query could not be answered when you originally called them. Alternatively, you may have written to them and would be expecting them to make contact with you.

You shouldn't give out any other personal information such as bank details over the phone unless you are certain about who you are speaking with and NEVER give your full PIN Number to anyone.

## Expression of Wish

**It's not nice to think about, but do you know who you'd like to receive any discretionary lump sum payments in the event of your death?**

When you die, the Trustee makes the decision as to who receives any lump sum. It will, however, take your wishes into account. You can state these by completing an 'Expression of wish' form, which will be held in our records.

You might have filled in an Expression of wish form when you joined Hays, but if you haven't filled in a new one since, especially if your circumstances have changed, there is a risk that the lump sum might not be paid to the people you thought it would.

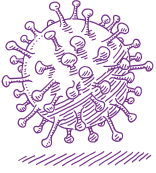
Download an Expression of wish form at [www.hayspensionscheme.com/dependants](http://www.hayspensionscheme.com/dependants) or obtain one from Equiniti. Their contact details are on the back cover.

When you've completed the form, either email it to [hays@equiniti.com](mailto:hays@equiniti.com) or post it to the address on the back page.



# LATEST NEWS

## COVID-19



The Covid-19 pandemic has undoubtedly had a significant impact on many things, including pensions. Whilst stock markets the world over have taken a hit, the Trustee is pleased to confirm that their investment planning and strategy has built-in resilience to withstand short term fluctuations. You will see in the financials that the Scheme's value is higher at 30 June 2020, than it was a year ago.

As the Scheme is a 'defined benefit' pension arrangement, what you receive in retirement is based on a formula. When you left service, you would have received a statement which provided:

- Details of your deferred pension,
- The increases applicable both before and after retirement, and
- Dependants' pensions.

The Trustee would also like to reassure you that this Scheme provides you with a pension and not a fund value and therefore your pension doesn't change depending on what is happening in the stock markets and wider world.

Equiniti, the Scheme administrator, has moved more than 90% of its employees to a work-from-home model, and although they are still taking telephone enquiries from you, they request that you send enquiries by email (to [hays@equiniti.com](mailto:hays@equiniti.com)) if possible.

## MAKING A DIFFERENCE WITH ESG

The past year has brought a number of issues into sharp focus. Whether it's the impact of climate change on our daily lives, the many societal issues which need further attention, or the importance of openness and transparency.

Pension schemes aren't separate from the realities of everyday life. The Trustee believes that Environmental, Social and Governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets. The Trustee also recognises that long-term sustainability issues present both risk and opportunities that may require explicit consideration.

The Trustee has received training in ESG to help it formulate its policy when evaluating these issues to help ensure that the Scheme is run in a sustainable way.



Read more at [www.hayspensionscheme.com](http://www.hayspensionscheme.com)



# GUARANTEED MINIMUM PENSION (GMP) UPDATE

## Background

On 17 May 1990 the European Court ruled that pension benefits between men and women had to be equalised. This meant that the retirement age had to be the same, and for many schemes meant raising the retirement age to 65 for all members. There was however one element within the total pension, the Guaranteed Minimum Pension (GMP), which was, by UK law, still payable at age 60 for females and 65 for males.

The Pensions Industry has been waiting for a considerable time for the UK Government to provide direction on how to equalise this pension element. Some schemes, however, needed a decision sooner and took their case to the UK Courts. On 26 October 2018, in the case of 'Lloyds Banking Group Pensions Trustees Ltd v Lloyds Bank plc and others' the High Court ruled 'that the GMP element of pension accrued between 17 May 1990 and 5 April 1997 between men and women must be equalised'. The ruling also gave several suggested ways to do this.

## Next steps

In previous editions of *In Touch*, we have mentioned that we needed further clarification on how to equalise these GMP benefits. Whilst we do have some further clarity there are still unanswered questions, and a further case was raised to try and resolve the outstanding issues. In the meantime, we are formulating our plan on how to approach this exercise and what we need to do. We will keep you updated on developments.

We are, however, pleased to confirm that we have been able to make the required changes when providing transfer values and these are now quoted on an equalised basis.

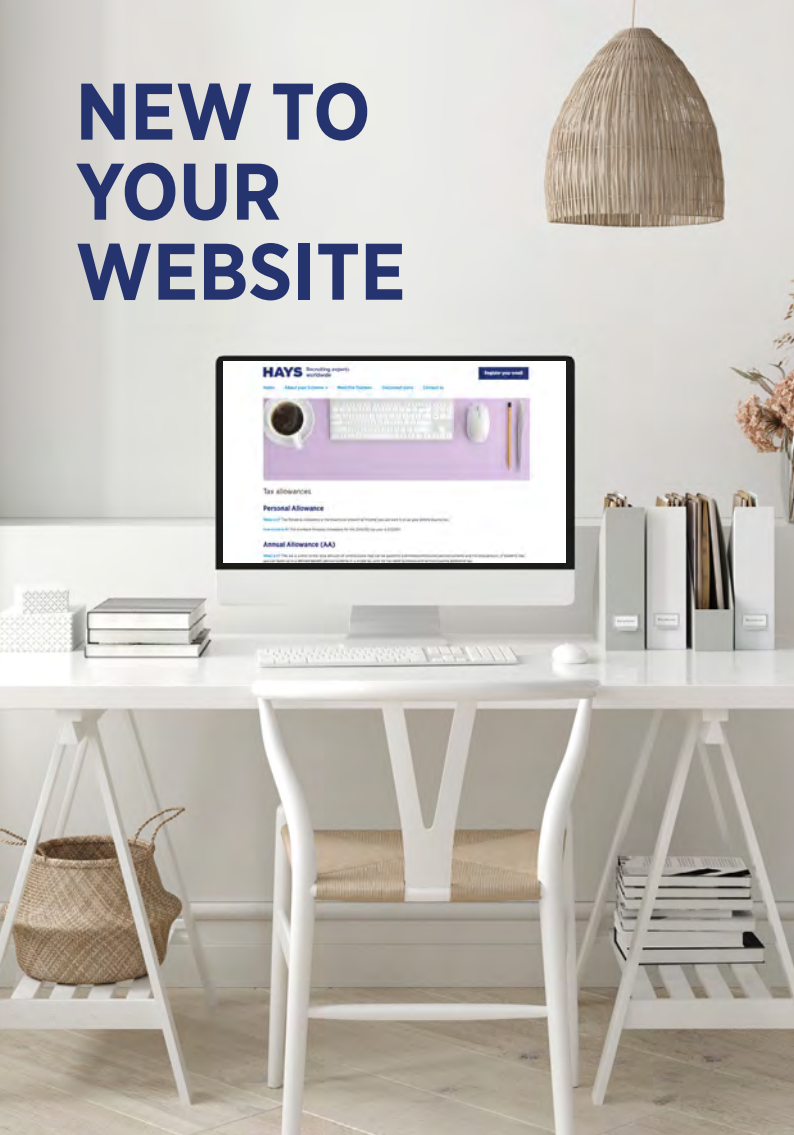
Please note that some members are not affected at all by GMP equalisation. Furthermore, for many of those affected the amounts of money that are changed may be small/trivial; and there may be no specific gender impacted by this.



Find out more about GMP equalisation at [www.hayspensionscheme.com/news](http://www.hayspensionscheme.com/news)



# NEW TO YOUR WEBSITE



We look to update the website on a regular basis to keep it relevant to you and make sure you have all the information you might need as a Scheme member. Here's a summary of some important documents we've recently added to [www.hayspensionscheme.com](http://www.hayspensionscheme.com)

1

## Covid-19 update

As mentioned on page 5, you can find a new Covid-19 update on the homepage.

2

## Annual Report & Accounts

Though this newsletter gives you the main financial information for the Scheme year, which is a legal requirement, the Annual Report & Accounts gives you a full picture of what has happened during the year including the Chair's Statement.

3

## Statement of Investment Principles (SIP)

A SIP explains the Trustee's approach to investments. This includes how it manages risk, which type of investments the Scheme holds, and its ESG considerations.

4

## Implementation Statement

The Implementation Statement sets out how, and the extent to which, the Trustee has followed its SIP. This includes key votes, actions and policies. This now forms part of the Annual Report & Accounts.



# ARE YOU ON TRACK FOR RETIREMENT?

**It can be hard to know how much money you'll need to live off when you retire. Your spending habits and day to day costs will most probably change as your routine and leisure activities transition into retirement.**

To support you in your retirement planning, the Pensions and Lifetime Savings Association (PLSA) has published some retirement living standards and explained what these mean in everyday terms. These can help you to see where you would like to be and how much you might need each year to achieve 'minimum', 'moderate', or 'comfortable' standards of living.

We have detailed some of these opposite to give you an idea of what that means, but you can get a fuller picture at [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)

## WHAT YOU CAN DO TO GET ON TRACK

**If you think you'll need to boost your retirement income to do the things you want to do, there are some actions you can take.**

### **1. Look at your whole retirement picture**

If you have retirement savings with several past employers, make sure you know where your benefits are held, what you can expect to receive from each one and what your options are now and at retirement. Don't forget, this includes your Hays deferred pension.

### **2. Take action in your current scheme**

Could you increase your contributions to improve your final overall retirement income?

### **3. Think about how and when you access your pension**

You can take different approaches for different savings arrangements, depending on your needs.

### **4. Consider retiring later**

By increasing your retirement age, your existing savings will have a longer period to grow, and you may also have the opportunity to put more money into your pension.

Remember, this review and planning is not a one-off exercise and the best way to reach your goal is to review your needs and pension savings regularly. Your State Pension may also go some way towards the amount you need when you retire, so start by getting a State Pension Forecast at [gov.uk/check-state-pension](http://gov.uk/check-state-pension)





To support you in your retirement planning, the Pensions and Lifetime Savings Association (PLSA) has published some retirement living standards and what these mean in everyday terms.

## MINIMUM

Covers all your needs, with some left over for fun.

£10,200 for a single person



- DIY maintenance and decorating one room a year
- A £38 weekly food shop
- No car
- A week and a long weekend in the UK every year
- £460 for clothing and footwear each year

## MODERATE

Gives you more financial security and flexibility.

£20,200 for a single person



- Some help with maintenance and decorating each year
- A £46 weekly food shop
- 3-year old car replaced every 10 years
- 2 weeks in Europe and a long weekend in the UK every year
- £750 for clothing and footwear each year

## COMFORTABLE

Gives you more financial freedom and some luxuries.

£33,000 for a single person



- Replace kitchen and bathroom every 10/15 years
- A £56 weekly food shop
- 2-year old car replaced every 5 years
- 3 weeks in Europe every year
- £1,000-£1,500 for clothing and footwear each year



# YOUR OPTIONS AT RETIREMENT

**We've also added some more information to the website about the retirement process, and what options you'll have as you get nearer to retirement age.**

## The process

The process is very simple. Around 5 to 7 months before you reach your normal retirement, Equiniti, the Administrator, will write to you with details of your retirement options.

The options available usually include the following:

- A full pension
- The option to take a Tax-Free Cash Sum and a smaller residual pension
- A Cash Equivalent Transfer Value, should you wish to consider retirement options outside of the Scheme.

The appropriate forms will also be enclosed, and details of the documentation required to pay your benefits.

If you wish to consider early or late retirement, then you will need to ask Equiniti to provide details of your retirement options, but the process and options provided are usually the same.

Once you have made your decision and returned all of the paperwork, including the requested documentation, your benefits will be paid.

If you are keeping your benefits in the Scheme, your pension and any Tax-Free Cash Sum (if you choose this option) will be paid from the 1st of the month and, if necessary include any pension arrears back to the quoted retirement date.

If you decide to transfer your benefits to another arrangement, the transfer value will be paid as soon as possible after all the paperwork has been received.

## Finding help online

On the website, you'll be able to find:

- A summary of the process;
- An example retirement pack;
- The forms you will need to complete; and,
- Details of the documents you will need to provide.



To find out more, visit [www.hayspensionscheme.com/retirement](http://www.hayspensionscheme.com/retirement)



# THE FUTURE OF THE SCHEME

You received a letter in February outlining the future of the Scheme. You can find this at [www.hayspensionscheme.com/document-store](http://www.hayspensionscheme.com/document-store)

## Background

On 30 June 2012, the Scheme closed to future accrual. This meant that there were no longer any 'active' members and the Scheme then only had deferred and pensioner members. Over the very long term, this would mean that the Scheme naturally ceases when the last pensioner or spouse dies. This is still a considerable way off into the future.

## What is a buy-out?

This means that the liabilities (or the cost of providing pensions) are transferred to an external provider. All of the options currently available to you will remain such as requesting a transfer value or early retirement options.

On finally retiring, you would receive your pension from this provider when it's due, just as you would now from the Scheme.

## Moving towards a buy-out

The Trustee and Hays plc have decided to take the Scheme on a new route and would like to complete a buy-out of the benefits at some future point in time.

This is a positive change for your pension, and it will only happen when there are sufficient assets in the Scheme to complete a buy-out of the full benefits of every member. You might remember that the Trustee entered a contract in 2018 to secure the pension benefits for the pensioners in payment at that time, and this would just mean a similar contract covering the benefits for everyone else.

## What does this mean for me?

As previously stated, there is no rush towards this goal, so you don't need to worry about any sudden changes. We will keep you informed about our progress every step of the way. In the meantime, there is a lot of work to be done in preparing the Scheme and the membership data, and we need to make sure that the personal information we hold is both complete and up-to-date. We will therefore be writing to you to confirm that the information we hold is correct and to ask you to fill in any missing information.



# THE FINANCIALS

Here is an overview of the Scheme's membership figures and income and expenditure in the Scheme year ending 30 June 2020. We've also provided figures for the previous year for comparison.

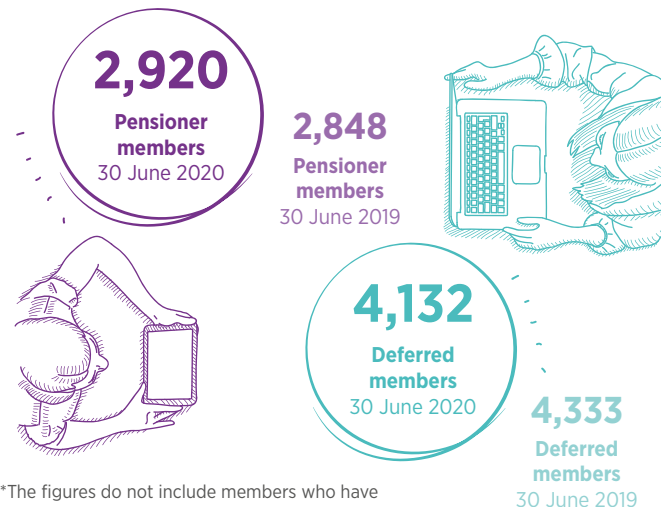


## SCHEME VALUE

This shows the value of the Scheme for the year ended 30 June 2020, compared with 2019.

	Value at the beginning of the year	+ Income	- Expenditure	+ Returns from Investments	= Value at the end of the year
2020	£842.807m	£40.532m	(£34.725m)	£121.087m	£969.701m
2019	£807.175m	£29.635m	(£44.185m)	£50.182m	£842.807m

## SCHEME MEMBERSHIP\*



## INCOME AND EXPENDITURE

	30 June 2020	30 June 2019
<b>Income</b>	<b>£000s</b>	<b>£000s</b>
Company contributions	£15,742	£15,284
Investment and other income	£24,790	£14,351
<b>Total income</b>	<b>£40,532</b>	<b>£29,635</b>

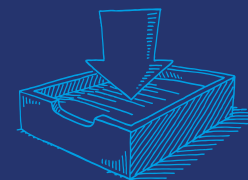
	30 June 2020	30 June 2019
<b>Expenditure</b>	<b>£000s</b>	<b>£000s</b>
Pensions paid	£14,936	£14,546
Lump sum (retirement and death benefits)	£2,136	£2,463
Payments to and in respect of leavers	£13,984	£20,817
Other payments	£22	£18
Administration and investment expenses	£3,647	£6,341
<b>Total expenditure</b>	<b>£34,725</b>	<b>£44,185</b>

## KEY POINTS



**£126.894m**

Increase in Scheme value over the year



**£121.087m**

Investments returned throughout the year



You can find a copy of the full Report & Accounts at [www.hayspensionscheme.com/document-store](http://www.hayspensionscheme.com/document-store)

Please note that you can read the Chair's Statement within the full Report & Accounts. You can also request a hard copy of the full Report & Accounts by contacting the Pensions Manager – you'll find contact details on the back page.



# THE INVESTMENTS

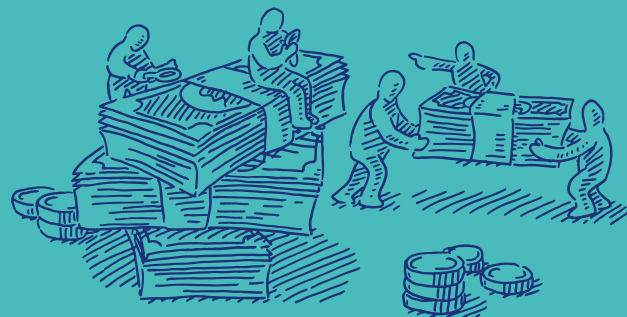
The Trustee invests its assets to make sure that there is enough money in the Scheme to pay members' benefits.

The Trustee and its specialist investment advisers review the investment strategy on a regular basis to ensure that it remains appropriate.

## Asset allocation as at 30 June 2020:

Short cash exposure	(2.2%)
Synthetic Equity (UK)	0.8%
Synthetic Equity (World)	1.7%
Absolute return	3.1%
<b>Total growth assets</b>	<b>3.4%</b>
Cash Drawdown Sub-Portfolio	1.7%
Global Multi-Asset Credit	6.4%
Property	8.6%
Corporate bonds	16.5%
Gilts and equivalent bonds (LDI)*	63.4%
<b>Total bond assets</b>	<b>96.6%</b>
<b>Total assets</b>	<b>100%</b>

\*Liability Driven Investments



## INVESTMENT PERFORMANCE

The Scheme's annual investment returns are measured against a target (known as a benchmark) so that the Trustee knows whether the investment strategy is working successfully.

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	20.9%	22.2%
Three years	12.6%	12.9%
Five years	14.0%	14.0%





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



hays@equiniti.com



03332 075957

**This is a new number.**



**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 & Accounts, please contact the Pensions Manager:



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

**Other formats:** If you struggle to read this newsletter in its current form, we will 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.

# CONTACT DETAILS

