

HSBC Bank UK Pensioners' Association

MINUTES OF THE COUNCIL MEETING HELD ON TUESDAY 20 APRIL 2010 AT CANARY WHARF

APOLOGIES

Ben Fleet – West Midlands. Angela Leader deputised.
Clive Othen – London

MINUTES

Minutes of the previous meeting held on 10 February 2010 were approved and signed.

MATTERS ARISING

None that would not be covered elsewhere.

CORRESPONDENCE

None.

MATTERS REFERRED BY EXECUTIVE

At a recent meeting of the BF, Rob Walker was voted in as the new Chairman following Phil's decision not to seek re-election. As a result, Rob became an ex officio member of the Executive and Council.

REPORTS

Chairman – Phil confirmed that he would be meeting Paul Thurston in early September to discuss pensioner issues, including the possibility of having an Association website attached to the Banks intranet.

Patrick Oscroft joined the meeting at that point to explain the delay in publishing the products booklet and he answered questions from members of the Council. The main reason for the delay was that legal requirements were still being resolved.

A letter had been received from Keith Brown confirming that the pensions' escalator was legally binding on the Bank and could not be withdrawn unilaterally. The letter would be published in the next issue of the magazine.

2.

Phil advised that Keith Brown had requested that a BBF survey be sent to a selection of pensioners requesting views on pensioner engagement. The Executive had agreed to the process and Keith Brown would be advised.

Pensioner Nominated Director –Rodney Bass advised that following the Triennial valuation of the Fund, agreement had been reached between HSBC Bank UK and Pension Trust Board under which the Bank would make cash payments over 10 years to the Fund in order to bridge the current funding gap of £3billion. The majority of these payments would be back ended.

The Trustees were satisfied that the Bank was committed to bridging the gap which had occurred due to falling stock market values and pensioners living longer.

Furthermore, the Bank had offered an alternative solution in order to close the gap immediately. The Pension Trust Board was currently considering the offer of distressed assets in lieu of the cash offer already agreed. This could be to the advantage of the Pension Fund as long as it was satisfied with the underlying quality of the assets on offer, and could agree the time frame for closing the gap including topping up a three year valuation going forward. Such assets were likely to be offered at a substantial discount.

The Pension Trust Board was taking professional advice before making a decision, including an independent valuation. It was also seeking assurance that the PF would have sole and independent management of the assets plus the right to reject unsuitable assets. Furthermore the Bank would underwrite with immediate cash any future shortfall in asset values.

Agreement must be reached by 30 June and if that was not achieved, then the original agreement would stand.

Ken Woodsford questioned whether the Fund was allowed to invest in questionable assets. Rodney assured Council that the PF was acting within the investment principals laid down by the Pensions regulator.

David Doubleday warned that Crocker and Household were still fresh in some people's minds. Rodney made it clear that the assets were being looked at very thoroughly. Accepting that the Bank wanted these assets off balance sheet, they were being offered heavily discounted and the PF had time to sit on such assets until values rose again.

Rodney also emphasised that the Bank was obliged to undertake a triennial valuation and by law must set a plan over ten years to fund any shortfall. The PF were satisfied that the Bank's name was sufficient covenant not to give concern over future funding.

Rob Walker enquired whether a mix of cash and assets might be offered. Again, Rodney emphasised that the Trustees would take a cautious view on what might be offered. He would report further at the next meeting.

3.

Recently, the Board held a strategy day to consider the broad issues of governance of the Pension Fund. No fundamental decisions were taken but the general manner of Watson Wyatt's administration of the Fund was positive.

General Secretary – Owen would be writing to retiring regional reps. to request names of replacements who would take up their role after the AGM in October.

Other issues would be raised elsewhere in the meeting.

Mike Dane had been invited to join the July meeting to talk on clawback. He has now confirmed his attendance and would be happy to answer questions after his talk.

The update of the local centre constitution was in progress and would be available before the next meeting in July as a discussion document. It would then be finalised and sent to all local centres.

Treasurer – The Association was solvent with credit balances as at the end of March 2010 totalling £58,894.

The work involved by local treasurers in preparing and having the annual accounts audited was underway. Also the preparation of the local VAT returns to Peter Hagger so that he might prepare the Association's annual VAT return.

David was in the process of completing the annual accounts to send to the auditors. A copy of the draft accounts would be ready for the July meeting and be included in the September edition of Pensioner Today.

Membership Secretary – Current membership was 15,323 a slight net increase on the time before.

The increase in subscription to £10 pa seemed to be received without major dissension. It will be some time before being able to judge whether there have been resignations from the Association as a result of the increase.

It seemed to be ever more difficult to liaise with branches on administration as they were unaware of the role of the Association or who a pensioner was.

Elizabeth Cole, Secretary of the Kent centre was stepping down after 18 years. It was agreed that the Chairman would send her an appropriate letter of thanks.

David Rowley offered a vote of thanks to Alan for all the extra work he was undertaking with regard to the subscription increase.

Social Secretary – Demand for tickets had been so high that the allocation of 560 seats had been fully taken up. There was a possibility that tables in an annex would be used to meet further demand.

4.

All arrangements were well in hand. Programme details were being finalised. Phil confirmed that Bob Wyatt had agreed to propose to toast to the Bank. The Chairman was waiting to hear whether Paul Thurston would be able to attend and respond to the toast, otherwise the Bank would offer an alternative guest.

Dyfrig John, President, would propose the toast to the Queen.

The venue for 2011 in Manchester would be looked into later in the year.

Editor – The May issue of the magazine was with the printers and promised to be very interesting. The September issue was already taking shape with articles from Keith Brown on the P60 confusion and his letter re pensions escalator.

Pensioner Visiting Officer – Visitor meetings had been arranged for June at three venues. Invitations have been sent to all visitors and speakers arranged.

Barbara would attend all three meetings in order to liaise with members of the Welfare team and resolve various administration issues.

Jane Hilton has been appointed the new Pensioner Visitor Liaison representative. It was proposed to extend the Pensioner Visitor invite letter, not only to all pensioners who had reached the age of 75, but also to all pensioners on a five yearly basis thereafter.

Chairman – Benevolent Fund – A meeting of the Trustees took place earlier this month at which Phil Hargreaves elected to stand down as Chairman, although he would continue as a Trustee. Rob Walker was nominated as the new Chairman and was unanimously elected for the forthcoming year.

The Capital value of the Fund as at 31 March 2010 was £266k. This was principally held in Gilts, Charifunds and cash deposits.

Last December, 64 cheques of £125 each were sent to needy widows.

The BBF first quarterly report revealed that 10 HSBC pensioners were paid a total of £15k for various purposes including house improvements, holidays and medical needs.

There have been no new developments with regard to the Public Benefit issue. A final guidance paper was expected later in the year.

An article on the future of the BF would appear in the September issue of Today magazine. At some point, a decision on the BF's future must be made by the Executive and Council as it could not remain in being solely to distribute Christmas cheques to a diminishing number of recipients.

5.

ANY OTHER BUSINESS

The recent issue of P60s had caused concern among many pensioners unsure of what figures to include in tax returns. Council were assured that Keith Brown would be asked to clearly explain the position in an article for the magazine.

DATE OF NEXT MEETING

Thursday 15 July 2010 at 2pm at Canary Wharf.