

Employee Pension Plan

Information for Employers



HSBC
Insurance

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More than just a pension solution

Employee Pension Solutions by HSBC

When you choose an employer sponsored pension plan from HSBC Life Assurance (Malta) Limited (HSBC Life), you'll find a whole range of additional services available for you to select from, to further engage your employees.

HSBC Life is the insurer and HSBC Bank Malta p.l.c. (HSBC Bank) is its Tied Insurance Intermediary and the appointed distributor for this pension plan.

We see the pension proposition as part of a holistic package, a source of financial wisdom and a truly valuable service that you can offer to all your employees, or to just those you choose to select.

Having successfully launched its own Pension plan to over 80% of its employees in 2018, HSBC Bank, together with HSBC Life, have the product, the administrative set-up and expertise to ensure your own Employee Pension Plan will be the optimal solution.

Your most valuable asset is your employees

We will work with you to understand your employees' needs and deliver solutions tailored to your and their circumstances.



Why provide a pension for your employees?

- Any business large or small, relies on one vital ingredient: its employees. More than anything else, it is the capabilities and the motivation of the employees which determines success. Securing their commitment and loyalty is very important to you.
- Your employees and their relatives appreciate a caring organisation, one that takes interest in their well-being both now and beyond their retirement, further boosting your brand image in the community.
- Tax benefits introduced by the Government make an employer sponsored pension plan that is recognized as a Qualifying Scheme in terms of the Voluntary Occupational Pension Scheme Rules (S.L. 123.175) tax efficient for you and for your employees to save for their retirement.
- As an important additional employee benefit, a pension plan will help you attract and retain the best talent, improving commitment and loyalty and naturally boosting your business.
- The minimum number of employees to join the plan is 6.

Benefits to you, the employer

As well as helping you attract and retain the best talent, your contributions are eligible for the following tax incentives*.

- **Tax credit of up to €750**** p.a. per employee (25% credit subject to a maximum contribution of €3,000 p.a. per employee).
- **Tax deductibility** on the amount of contributions paid, subject to a capping.

Furthermore, contributions made by you, the employer, are not treated as a Fringe Benefit in the hands of your employees.

* This document has been prepared on our understanding of current Maltese legislation, tax laws and Inland Revenue practice at time of publication. The applicable laws and legislation may change in the future. Please consult your Tax Advisor for confirmation of tax benefits applicable to your circumstances and those of your employees.

** Applicable from Year of Assessment 2022



Benefits to your employees

Pension plans also provide valuable tax concessions* for your employees:

- **Tax credit of up to €750**** p.a. on personal contributions (25% credit on a maximum contribution of €3,000 p.a.).
- **No tax payable on death benefits.**
- **Up to 30%** of the plan value may be available as a lump sum*** upon retirement. The said lump sum, is exempt from tax in Malta.
- **No Capital Gains Tax** on investment income received within the plan.
- **Employer contributions are not considered a Fringe Benefit** and no further tax is payable.

As well as the important tax concessions, your employees will enjoy and value additional benefits:

- Educational seminar to present generic retirement planning tips and to explain the value of the plan you have set up.
- Contributions payable by you to help boost their retirement planning.
- A simple process to join the plan with initial meetings arranged through the workplace.
- Full financial advice provided to each employee by our appointed distributor.
- Complete flexibility of contributions, subject to the minimum thresholds.
- A wide range of investment fund choices giving access to world renowned investment managers.
- Online valuations of the plan available through HSBC Malta Online and Mobile Banking.

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** Applicable from Year of Assessment 2022

***Legislation is subject to change and may also affect/change the amount of lump sum you can access from your Plan in the future.

An overview of the plan

Feature	Benefit
Name of Plan	Employee Pension Plan
Tax Status	Registered as a Qualifying Scheme in terms of the Voluntary Occupational Pension Scheme Rules (S.L. 123.175) with the Office of the Commissioner For Revenue to enable tax concessions on employee and employer contributions (CfR ref: PYR0027).
Eligibility Criteria for employees	<ul style="list-style-type: none"> • Min and maximum age at entry: 18 – 59. • Minimum contribution: €60 per month (combined employer and employee). • Maximum contribution: No current maximum but tax benefits restricted to maximum contribution/s of €3,000p.a. (across all qualifying schemes of same type). • Employees must be domiciled and/or resident for tax in Malta in order to receive tax credits.
Investment Choice	<ul style="list-style-type: none"> • Choice of up to 5 funds from a range of 26 international and local funds. • Managed portfolios and Multi Asset funds included in the above range to provide diversification.
Flexibility for employees	<ul style="list-style-type: none"> • Changes between funds throughout the lifetime of the plan. • Can Increase contributions in the plan at specified intervals. • Can decrease contributions at any time (subject to minimum amount threshold), or take a premium holiday for up to 12 months, that can be renewed annually following a financial planning review to help cope with changes in circumstances.

Important Note: The Lump sum, and retirement benefits payable to employees can only commence between age 61 but not later than age 70 and subject that plan has been in force for at least 10 years. For full details and information including general risks and related policy charges please refer to the “Employee Pension Plan” Policy Terms & Conditions, Key Features Document and the HLM Funds Key Information Documents.



Not everybody's needs are the same

From new starters to senior executives, the needs of your employees can be very different, which is why HSBC Bank offers a range of banking services tailored to each individual.

From credit cards, loans and mortgages to propositions such as HSBC Premier which gives your qualifying employees access to a Premier Relationship Manager who can provide expert support and planning.

Financial Wellbeing

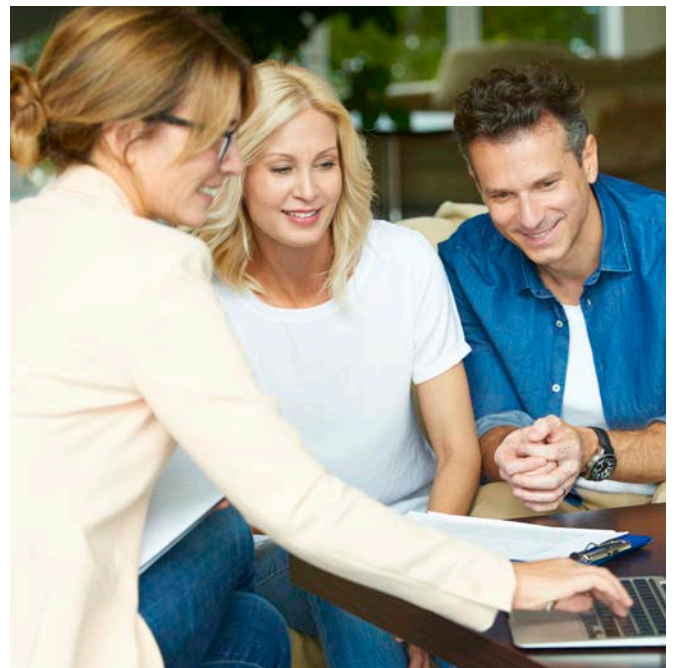
Life is full of exciting new stages from starting a family to moving abroad, each presenting its own challenges and opportunities.

Alongside mental and physical health, financial wellbeing is key to making sure your employees can embrace and enjoy whatever life throws at them.

Whatever stage your employees are currently at, professional guidance and support from our specialists will help them make informed decisions and embrace life's opportunities.

We focus on key life stages your employees may experience, from buying a home, planning for children's education and protecting themselves and their loved ones.

Working together, we will complement your existing programs on health and mental wellbeing with support on financial issues so that employees can fully embrace and enjoy whatever life throws at them.



Services offered by HSBC Bank Malta p.l.c



Managing and growing your wealth

Opportunities and resources to help ensure that you are building the future you've imagined.



Home buying – First time buyer

Top tips on What you need to know for every aspect of your journey, from your first viewing through to your moving in day!



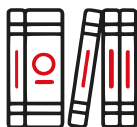
Making the most of your money

Educates and explores ways to make the most of your everyday finances – budget planning, simple tips to reduce your spending and how to increase your income to start planning for your future!



Home buying – Home mover

An overview of things you'll want to consider when moving home or investing in a second property.



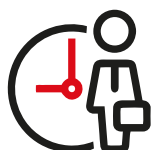
Children's education

Building strong financial foundations so that you can give your child the best start in life.



Leaving a Legacy

Products and tips on how to ensure you and your family live life to the full, with savings plans and life insurance.



Retirement Planning

Retirement may seem a long way off, however nearly a third of all retirees researched by HSBC wish they had started funding sooner. We will explain pension funding options, the recent changes to how one may withdraw benefits and the potential value of a diversified portfolio of investments.

HSBC Life Assurance (Malta) Ltd (Registered Office: 80, Mill Street, Qormi QRM 3101 Malta. Company No: C18814) is regulated and authorised by the MFSA (Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, CBD 1010 Malta) to carry on long term business of insurance under the Insurance Business Act 1998. HSBC Bank Malta p.l.c. is enrolled as a Tied Insurance Intermediary for HSBC Life Assurance (Malta) Ltd under the Insurance Distribution Act, (Cap 487 of the Laws of Malta). (Registered Office: 116, Archbishop Street, Valletta VLT 1444. Company No: C3177).

This information is not to be construed as investment advice.

HSBC Insurance is a trading name used worldwide by the insurance businesses of the HSBC Group, including HSBC Life Assurance (Malta) Ltd., which has issued this document.

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