Social Housing Pension Scheme

A Guide for Members

tpt Retirement Solutions



Defined Benefit for
CARE and Final Salary

shps
The housing sector scheme of choice

A Guide for Members

Social Housing Pension Scheme (SHPS)

The housing sector scheme of choice

The Social Housing Pension Scheme (also referred to in this guide as the 'Scheme') has been designed to provide security for you during your retirement and for your dependants in the event of your death.

This Guide provides information about the 'Defined Benefit' (DB) structures of the Scheme. For information about the 'Defined Contribution' (DC) structure of the Scheme, please refer to the SHPS DC website members.tpt.co.uk.

This Guide gives general guidance only, and it should not be regarded as a complete or authoritative statement on the formal Trust Deed and Rules. It is provided to all members and prospective members and consolidates and replaces previous scheme booklets, announcements and leaflets.

This Guide consists of this booklet and loose leaf inserts describing the DB structures available under the Scheme. Your employer will tell you which benefit structure you may join.

If you have any general enquiries about joining the Scheme please contact the individual who deals with pension matters in your organisation.

The Scheme is administered by TPT Retirement Solutions ('TPT'). Should you have any other queries or require further clarification or detailed information about your own benefits you should contact:

The Social Housing Pension Scheme
TPT Retirement Solutions
5 Floor, 3 South Brook Street
Aire Park, Leeds, LS10 1FT.

0113 394 2552

enquiries@tpt.co.uk

www.tpt.co.uk

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Joining the Scheme

Can I join the Scheme?

Yes, you can join the Scheme as long as you:

- work for a participating employer;
- are aged between 16 and 74 (inclusive); and
- have completed any minimum period of service specified by your employer.

You may have been automatically enrolled into the Scheme. Further details about auto-enrolment are provided below.

If you have not been automatically enrolled, check with your employer whether you can join the Scheme. If you are eligible to join the Scheme, then you should ask your employer for an application form.

What is auto-enrolment?

If an employer has any 'eligible workers'* (see definition below) that are not already in a 'qualifying scheme' they must be automatically enrolled into such a scheme. Your employer may have chosen one of the SHPS benefit structures, or an alternative scheme, for auto-enrolment purposes and will provide you with further information as required. This will include the scheme it has chosen and details relating to opting out, and being re-enrolled where applicable.

*An eligible worker is anyone who:

- is not already in a workplace pension;
- is aged 22 or over;
- is under State Pension age;
- earns more than £10,000 a year.

When can I join?

You can join when you fulfil the conditions specified by your employer.

If you are not automatically enrolled and you do not ask to join the Scheme within one year of becoming eligible, you may be allowed to join at a later date, subject to the consent of your employer and the Trustee. This will be subject to a minimum of three months' service unbroken through illness and any other conditions that the Trustee may impose. These conditions also apply if you leave the Scheme, remain in the same employment (i.e. opt out) and ask to rejoin.

Please note that if you are an eligible worker who has previously opted out of the Scheme then, by law, you will be automatically re-enrolled into the Scheme (if your employer continues to use it as its qualifying scheme) every three years. Where this is the case, the conditions as described in the previous paragraph will not apply. Further to this, if you are re-enrolled, then you will of course have the option to opt out again.

Every member is bound by the obligations of the formal Trust Deed and Rules and the Scheme Document. Copies are available on the TPT website at **https://www.tpt.co.uk/multi-employer-schemes-members/shps/.**

How do I join?

If you have not been automatically enrolled, you can apply to join by completing the employee section of the Employee Application Form. Your employer can provide one or you can download it from **www.tpt.co.uk**. You must pass the completed form to your employer for verification. TPT will process your application and issue a Membership Certificate. This will confirm your date of joining. Your employer will arrange for pension contributions to be deducted from your pay through payroll from your start date.

What benefit structure can I join?

Employers can offer one or more DB structures and the DC benefit structure if they wish. This Guide applies to the DB structures. Your employer will tell you which DB structure is available for you to join. For information about the DC benefit structure please refer to the SHPS DC website: **https://www.tpt.co.uk/multi-employer-schemes-members/shps/**.

How much do I pay?

The Scheme Actuary reviews contribution rates every three years and a total contribution rate for each DB structure is agreed by the Trustee.

Your employer decides what proportion of the total you will need to pay. Please contact the individual who deals with pension matters in your organisation for this information.

Contributions are deducted from your gross pay (before any tax is deducted) by your employer. This is known as a Net Pay arrangement. If you do not pay income tax, you will be unable to benefit from this tax relief.

You may, if you wish, pay extra contributions in order to boost your pension. These extra contributions are known as Additional Voluntary Contributions (AVCs). Further details are provided later in this booklet.

The table below provides some examples of the gross and net cost of membership.

Example Contribution Rates Pensionable Earnings of £20,000	8%	10%	12%
Gross contribution	£1,600.00 a year	£2,000.00 a year	£2,400.00 a year
You will receive tax-relief at 20%* and save	£320.00 a year	£400.00 a year	£480.00 a year
The actual cost to you will be	£1,280.00 a year	£1,600.00 a year	£1,920.00 a year

*Subject to change. Members in the higher and additional tax brackets currently receive tax relief at 40% or 45% respectively. In Scotland, there are currently six rates of tax, ranging from 19% to 48%.

Please note: If you joined the Scheme before October 1997, please see the enclosed insert(s) applicable to your membership.

How much does my employer pay?

Your employer pays the balance of the cost of the Scheme, which will vary from time to time and includes the cost of providing life assurance benefits and all administration costs.

How your contributions are calculated

Your pension contributions will be calculated and deducted by your employer through payroll and therefore tax savings are immediate. Your actual contributions will be the member contribution percentage multiplied by your pensionable earnings (see Definitions) each pay period.

The total cost of funding the Scheme is shared between you and your employer. Your employer determines how the contributions will be split.

Can I transfer previous benefits into the Scheme?

The Scheme has not accepted transfers into the CARE and Final Salary benefit structures since 1 April 2010. This includes cases where you may have a statutory right to a transfer value from a previous scheme under Part 4ZA of the Pension Schemes Act 1993 (i.e. the DB sections of the Scheme do not accept such transfers). It may be possible to transfer benefits into the Defined Contribution benefit structure. Please contact TPT (details can be found on page 2) if you want to investigate this further.

Neither your employer nor staff at TPT are registered to provide financial advice. Transferring pension benefits is complex and we recommend that you seek advice from an independent financial adviser. You can find details of local registered independent financial advisers on **www.unbiased.co.uk**.

Leaving the Scheme

What happens if I leave the Scheme?

You may leave the Scheme for a number of reasons, including changing your job, or because you decide to leave the Scheme (opt out) and continue to work for your employer. In these cases you can choose to:

- have a deferred pension; or
- provided you have reached the minimum age, start to receive your pension; or
- transfer your benefits to another pension arrangement; or
- take a refund of any contributions you may have paid to the Scheme subject to deductions, but only if you leave the Scheme with less than two years' qualifying service.

If you change jobs and take up a position with an employer that also participates in the Scheme, and you rejoin the Scheme within 30 days of your date of leaving, you might not have a break in your membership or life assurance cover.

More details about opting out are provided below. There is no charge for leaving your deferred benefits in the Scheme and further information regarding your options is available from TPT on request.

What happens if I opt out of the Scheme?

If you are an active member of the Scheme and wish to opt out (i.e. stop contributing), you must give your employer one month's written notice of your intention to do so. You may rejoin the Scheme at a later date, as described on page 5 under the question 'When can I join?'

Alternatively, you may have been automatically enrolled into the Scheme and you may wish to opt out. You must inform your employer of your wish to opt out within 30 days of the date upon which you were automatically enrolled, and if you do so, any contributions deducted from your pay will be returned to you by your employer, subject to the relevant tax deductions. You may rejoin the Scheme at a later date, as described on page 5 under the question 'When can I join?'.

What is a deferred pension?

A deferred pension is a benefit calculated for you on leaving service, based on the service you have completed as a member of the Scheme and your pensionable earnings. This pension will remain in the Scheme and become payable at Normal Pension Age (NPA), which may be 65 or 67, or you may have a combination of the two.

You can currently apply for early payment of the deferred pension any time after age Normal Minimum Pension Age, or earlier if you have a Protected Pension Age (see 'Definitions' for an explanation of these terms). See the section headed 'Retirement' for further details.

The actual amount of your deferred pension will depend on the benefit structure(s) you have been a member of during your membership of the Scheme. Please refer to the enclosed insert(s) applicable to your membership for further details.

How does my deferred pension increase?

If you joined the Scheme before 6 April 1997 part of your deferred pension will be a Guaranteed Minimum Pension (GMP). The GMP part of your pension is increased by statutory revaluation (3.25% from April 2022) for each complete tax year until you reach age 60 (for women) or 65 (for men).

The pension remains in the scheme and any deferred pension in excess of GMP will continue to increase each year, prior to retirement. This increase is based on either the Retail Price Index (RPI) or the Consumer Prices Index (CPI) as follows:

- For pensions built up before 1 April 2013, the increases will be based on the RPI increase, with a maximum increase of 5%.
- For pensions built up between 1 April 2013 and 31 March 2016, the increase will be based on the CPI increase, with a maximum increase of 5%.
- For pensions built up on or after 1 April 2016, the increases will be based on the CPI increase, with a maximum increase of 2.5%.

The measure of inflation used in the future may be changed but any such change would not apply retrospectively.

It is the aim of the Scheme to ensure that pensions built up before 1 April 2008 keep pace with inflation, if resources are available.

Transfer of your benefits

You may transfer your benefits to another pension arrangement (such as your new employer's pension scheme or to a personal or stakeholder pension plan) at any time after you leave the Scheme, but before you take your pension.

Defined Benefit transfer values are calculated as the best estimate of the cash sum that would need to be invested in order to reproduce your benefits at retirement. A Statement of Entitlement to a guaranteed cash equivalent transfer value of your benefits will be provided on request. You will need to pass the information provided to the administrator of your new pension arrangement to investigate if the transfer can proceed.

Independent advice, as detailed above, is required where members have 'safeguarded benefits' (broadly speaking, defined benefit pension rights) and wish to either convert them into 'flexible benefits' (broadly, defined contribution pension rights) with the Scheme, or transfer them to another scheme where they would become flexible benefits.

When transferring SHPS defined benefit rights to a defined contributions scheme, including the DC section of SHPS, members will have to obtain independent financial advice before any transfer can proceed (unless the transfer value does not exceed £30,000). TPT will seek evidence that this advice has been received before proceeding with a transfer to a defined contribution arrangement.

We are required by law to carry out certain checks before we can transfer your benefits to another scheme. These restrictions have been put in place by the government to protect members against potential scams. In certain circumstances, the outcome of the checks may be that a transfer payment is delayed or not permitted.

Refund of your contributions

If you have less than two years' qualifying service you will have the option to take a refund of your own contributions to the Scheme (but not your employer's) plus interest (see Definitions). Qualifying service includes your period of membership of this Scheme and other schemes of TPT, plus service in a previous scheme where you have transferred these benefits into SHPS. If you have transferred benefits from a personal pension plan to SHPS you cannot take a refund of your contributions.

There is also a deduction from the refund:

- Tax will be deducted at a rate of 20% (or 50% on any refund amount in excess of £20,000).

Please note: If interest is included with your refund, you will need to notify your tax office of the amount of interest you receive. This is because the law requires that gross interest is paid. Your tax office will subsequently notify you of any tax charge applicable to this sum.

Retirement

You don't always have to leave your job in order to draw your pension. With the exception of ill health early retirement and Protected Pension Age (see Definitions) retirements, any reference to retirement in this Guide includes those members who choose to receive their pension benefits and continue working, as well as those members retiring in the more traditional sense (i.e. stopping work).

When can I retire?

The Normal Pension Age (NPA) under the Scheme is 67 (and before 1 April 2016 it was 65). This is the age that will be used for normal funding purposes for scheme benefits. If your pension does not start until after NPA, it could be more – and if it starts before NPA, it will be less than the normal retirement pension.

The information below explains when you can take your pension. However, the age at which you choose to retire is an employment issue, and you should discuss this with your employer.

What will I get?

The calculation of your pension depends on which benefit structure(s) you have been a member of, for how long, and your pensionable earnings. For Final Salary benefit structures, benefits are based on your Final Pensionable Earnings at your date of retirement. For CARE benefit structures, you will have built up pension amounts based on your pensionable earnings each year. Please see the enclosed Benefit Structure Insert(s) applicable to your membership for further details.

Combining periods of membership

Any periods of membership which began before 1 April 2007 may be combined when your benefits are paid where this results in a higher pension.

Periods of membership which began on or after 1 April 2007 will be treated separately. If you received a refund of contributions on opting out, no benefits would remain in the Scheme for the earlier period of membership.

Can I take a cash sum at retirement?

Yes, when you retire you can give up part of your pension and exchange it for a Pension Commencement Lump Sum (PCLS) which is usually tax free under current legislation. This will leave you with a smaller pension.

PCLS is also known as tax-free cash and the amount you can receive may be limited by your lump sum allowance (see Definitions).

The maximum lump sum available is 25% of the value of your pension benefits. Taking a PCLS at retirement will leave you with a reduced pension. The calculation is not straightforward. The table on page 10 shows comparisons between a full pension (option 1) or a PCLS with a reduced pension (option 2) for an individual aged 67. Please note: These figures are provided only as examples.

Option 1 Full Pension	Option 2 Maximum Cash Lump Sum	Reduced Pension
£5,000 per year	£22,170	£3,325 per year
£10,000 per year	£44,340	£6,650 per year
£15,000 per year	£65,510	£9,975 per year

Flexible retirement

In most cases members are able to take all or part of their pension whilst continuing to work and, should they wish to, accrue further pension benefits. Exceptions to this are ill-health retirements and those members with a 'Protected Pension Age' (see Definitions) who retire before age 55. This option is only available once in a 12-month period.

Enquiries in the first instance should be directed to the Scheme's Administration Team at TPT (contact details on page 2).

Please note: This should not be confused with the right to have your pre 1 April 2002 benefits paid with no reduction from age 60. This option is sometimes referred to as 'flexible retirement'.

Pension choice

The Defined Benefit structures provide for a survivor's pension, payable in the event of your death. (Where members, who joined before October 1997, have paid reduced contributions, the survivor's benefit payable will be the statutory minimum.) If you do not wish to provide for a survivor's pension, when your pension starts you may have the option to give up some or all of the survivor's benefit and take an increased pension for yourself. Details are provided to all eligible members at retirement. Any statutory minimum pension (where applicable) must be paid to a legal spouse or civil partner.

Are there any other options?

You can give up part of your own pension to provide a higher level of dependants' pension payable following your death. If you are interested in this option, you should request a quotation from TPT before starting your pension.

Can I contribute after NPA?

Yes, you may continue as a member and contribute to the Scheme until you leave employment. Please note that tax relief on pension contributions stops when you reach age 75.

If you work beyond age 67, your pension from the Scheme at age 67 will be increased by a late retirement factor, and you will receive additional benefits based on your pension earned after age 67.

Death benefits will continue to be provided. However, once you reach age 75, any lump sum death benefit payable will no longer include a life cover payment of three times your pensionable earnings at the date of your death.

Can I retire early?

Yes, you can take early retirement from Normal Minimum Pension Age (see Definitions) even if you choose to continue working. You may take your pension benefits between ages 50 and Normal Minimum Pension Age if you have a Protected Pension Age (see Definitions) and meet the relevant criteria, or at any age if you are retiring on grounds of ill health (subject to approval). Your pension will usually be lower than at NPA because it will be reduced to allow for the fact that pensions paid early are expected to be paid for longer.

What happens if I am too ill to continue working?

Provided there is satisfactory medical evidence that you are and will continue to be unable to work again in any capacity, your pension can be paid immediately regardless of your age. Guidance on eligibility is available on request and you will be asked to provide medical evidence for consideration.

Your ill health pension will be calculated based on the benefit structure(s) you have been a member of, the period of membership up to your date of retirement, plus, if you are an active member, an additional amount of service equal to half of the prospective service that you would have completed from that date to age 62. The pension is calculated using your Final Pensionable Earnings (see Definitions) at the actual date of retirement.

If your pension starts early due to ill health, you still have the option to take a Pension Commencement Lump Sum (PCLS).

The Trustee may periodically request updated medical evidence on your state of health and has the discretion to reduce or suspend your pension if your eligibility changes.

If you have a life-threatening health condition and have a life expectancy of less than one year then, subject to the Trustee receiving appropriate evidence of this, plus certain other conditions, it may be possible for you to receive your benefits in the form of a single tax-free lump sum. Please notify TPT as early as possible if you wish to apply for your benefits in such circumstances.

Can my deferred pension be paid early?

You may also apply for early payment at any age if you are too ill to continue working and have a deferred pension. If your application is successful, your deferred pension will not be reduced for early payment.

You can apply for early payment of your deferred pension at any time after reaching 'Normal Minimum Pension Age (or earlier if you have a Protected Pension Age – see Definitions).

The pension remains in the scheme and any deferred pension in excess of Guaranteed Minimum Pension (GMP) if applicable will continue to increase each year, prior to retirement. This increase is based on either the Retail Price Index (RPI) or the Consumer Prices Index (CPI) as follows:

- For pensions built up before 1 April 2013, the increases will be based on the RPI increase, with a maximum increase of 5%.
- For pensions built up between 1 April 2013 and 31 March 2016, the increase will be based on the CPI increase, with a maximum increase of 5%.
- For pensions built up after 1 April 2016, the increases will be based on the CPI increase, with a maximum increase of 2.5%.

It would then be reduced to take account of the fact that your pension would be payable for longer than if it had started at NPA. Certain restrictions may apply and you may not be able to take your deferred pension early if it is not sufficient to cover any GMP the Scheme is obliged to pay. You will be advised if your application is unsuccessful.

You may have the option to take a PCLS and reduced pension subject to the minimum pension conditions being satisfied. You will be advised of your options once your application for early payment of your deferred pension is processed.

Death Benefits

What benefits are payable if I die before retiring?

If you die while in employment and have not opted out or left the Scheme, as a member of a Defined Benefit structure the benefits payable are:

Lump sum death benefit

- three times your pensionable earnings at the date of your death provided you have not reached age 75 when you die; and
- a refund of your own contributions, with interest (see Definitions).

Survivor's pension

50% of the pension you would have received, calculated based on the pension earned up to the date of death, plus (on death before age 67) the prospective pension from that date to age 67. The pension is calculated using your Final Pensionable Earnings (see Definitions) as at your date of death.

Children's pensions

12.5% of the pension you would have received, calculated based on the pension earned up to the date of death, plus (on death before age 67) the prospective pension from that date to age 67. The pension is calculated using your Final Pensionable Earnings (see Definitions) as at your date of death.

This would be paid to each of up to four dependent children. If no survivor's pension is payable the children's pensions are doubled.

What if I die after leaving the Scheme?

If you die after leaving the Scheme but before you start receiving your pension the benefits payable are:

Lump sum

A refund of your own contributions with interest (see Definitions) if you die before reaching Normal Pension Age (NPA), or the value of five years' pension (paid as a lump sum), calculated at the rate payable on your date of death, if you die after reaching NPA.

Survivor's pension

50% of the pension you would have received, based on the value of your deferred pension at the date of your death.

Children's pensions

12.5% of the pension you would have received, based on the value of your deferred pension at the date of your death, would be paid to each of up to four dependent children. If no survivor's pension is payable the children's pensions are doubled.

What benefits are payable if I die after retirement?

If you die after your pension has started the benefits are:

Lump sum

If you die within five years of retiring, a lump sum death benefit is payable equal to the unpaid balance of the five years' pension payments, at the rate applicable at the date of death.

Survivor's pension

50% of your pension, calculated on your full pension before you took any Pension Commencement Lump Sum (PCLS) and including increases in your pension.

Children's pensions

12.5% of your pension (calculated on your full pension before you took any PCLS and including increases in your pension) would be paid to each of up to four dependent children. If no survivor's pension is payable the children's pensions are doubled.

Important notes

- If you joined the Scheme before 1 October 1997 a full survivor's pension will only be provided if you paid full-rate contributions. For any period when you paid reduced rate contributions only the statutory minimum spouse's pension will be payable.
- If you opted to give up part of the survivor's pension when your own pension commenced only the statutory minimum spouse's pension will be payable.
- The regulations and / or Scheme Rules require that any spouse's/civil partner's GMP, or Reference Scheme pension for service up to 5 April 2016, must be paid to your legal spouse or civil partner at the date of your death.
- If your survivor is more than ten years younger than you, the pension will be reduced by 2.5% for each year in excess of ten that he/she is younger (unless it is paid to a child).
- Except for legal spouses and civil partners, it will be necessary for the Trustee to receive confirmation that the nominee for a pension is eligible at the date of the member's death.

Who will receive the benefits payable on my death?

The lump sum death benefits are payable at the discretion of the Trustee. Under current legislation this means that they do not form part of your estate for inheritance tax purposes. You can help the Trustee by completing a Nomination Form detailing the beneficiaries you would like to be considered.

Nominations

- Your nominations should be provided in writing, preferably on a Nomination Form or made using the DB Online system.
- Separate nominations are required for lump sums and pensions (even if you have nominated the same person to receive both).
- You should ensure your nominations are kept up-to-date if your personal circumstances change. If you wish to make any changes to your nomination or a nominee's address, please notify TPT.
- Nomination Forms are available from the Administration Team at TPT (contact details can be found on page 2) or can be downloaded from the website at **www.tpt.co.uk**.
- **Please note:** Upon marriage/entering into a civil partnership, or upon divorce/dissolution of a civil partnership, any existing nomination in respect of a survivor's pension will usually be revoked. Additionally, if you have nominated a partner who lives with you and at a later date you cease cohabiting, the partner may no longer be eligible for the survivor's pension. If you wish to re-nominate a person whose nomination was revoked in any of the circumstances outlined above, please contact TPT to check whether that person is eligible.

Who can I nominate?

Lump sum

- you can nominate one or more persons or organisations (such as charities);
- if you choose more than one you must state the percentage you want each person or organisation to receive;
- you should not use the words 'Executor', 'Administrator', 'In Trust for' or 'Estate' for your nomination, but the proper names of persons or organisations.
- Please note that nominations are not binding and the final decision on beneficiaries is made by the Trustee.

Survivor's pension may be paid to:

- your spouse or civil partner; or
- a child who is disabled and is unable to earn a living (in this case the child would be paid the survivor's pension, but not the child's pension); or
- you may nominate a dependent child to receive the survivor's pension, but this would stop when he or she ceased to be treated as a 'Child' as described below (Please note: The child would receive the survivor's pension in place of the child's pension); or
- someone who is not your child, who lives with you and shares living expenses; or
- someone who is not your child, who is largely financially dependent on you.

Children's pensions may be paid to:

- any child who is aged under 18; or
- any child below age 22 if in full-time education; or
- a child of any age who is dependent on you due to physical or mental impairment.

Children's pensions stop on reaching age 18 or 22 as described, unless the child, in the opinion of the Trustee, is dependent on you due to physical or mental impairment, when the pension can continue for the rest of that child's life.

Paying Your Pension

How will my pension be paid?

Your first payment will be made shortly after either the date your pension was due to start, or the date TPT receives the appropriate forms if later, and will cover the period from your retirement date to the next quarterly payment date. Payment is subject to receiving all necessary forms, including a Withdrawal Form from your employer and relevant certificates. Your first pension payment will include any lump sum you have elected to receive.

After this pensions are paid quarterly in advance on 6 January, 6 April, 6 July and 6 October. They will be paid direct to your bank or building society account. It is not usually possible to pay your pension to a bank or building society account that is not in your name.

If tax is due on the pension then it will be deducted under the PAYE system. Details of the PAYE reference number and relevant tax office dealing with the SHPS pension payments will be provided with confirmation of your pension at retirement.

Will my pension increase?

Pensions are reviewed each year and any increase granted is applied on 6 April. Increases are based on the rise in the Pensions in Payment Index each January. If the change in that index is zero or negative then the pension will remain the same; it will not be reduced.

How does my pension increase?

The increases explained below apply to your own retirement pension, your survivor's pension and any children's pensions.

Once in payment, your pension will be reviewed each year and will increase as follows:

Before age 60 (women) and 65 (men)

- Your pension will increase by the lower of 5% or, currently, the rise in the Consumer Prices Index (see definitions) for pension built up prior to 31 March 2016 and by the lower of 2.5% or the rise in the CPI for pension built up after 1 April 2016.

After reaching age 60 (women) and 65 (men)

- The GMP part of your pension (applicable for benefits earned between April 1988 and April 1997), if any, is guaranteed to increase each year by the rise in the Consumer Prices Index measured each September.
- Pension built up prior to 31 March 2016 in excess of the GMP will increase, currently, by the lower of 5% or the rise in the Consumer Prices Index and, currently, for pension built up after 1 April 2016 the increase will be the lower of 2.5% or the rise in CPI. This increase is paid by the Scheme.

It is the aim of the Scheme to ensure that pensions built up before 1 April 2008 keep pace with inflation, if resources are available. Please note: Pension earned in respect of service from 6 April 2005 is increased on the first increase date following your retirement on a pro-rata basis. For example, if you retire on 1 October (six complete months before the increase date of 6 April), the increase to your post April 2005 pension will be 6/12ths of the full rate of increase awarded. Any pension earned in respect of service prior to 6 April 2005 will receive the full rate of increase.

Boosting Your Pension – Additional Voluntary Contributions (AVCs)

AVCs are a tax efficient way of saving for retirement.

Should I pay AVCs?

You should remember that these contributions are for extra provision for retirement. You should not pay them if you cannot afford to wait until retirement to have access to your contributions.

There are various reasons for choosing to pay AVCs. These include:

- increasing the pension you will receive at NPA; or
- to offset the reduction which is applied to pensions paid early; or
- to boost your pension in order to reduce the impact of previous breaks in employment or periods where you did not have access to a pension scheme; or
- to increase the amount of cash that you receive when your benefits are taken.

TPT cannot give financial advice and the decision to pay AVCs is your responsibility. You may wish to discuss this with an Independent Financial Adviser (IFA). You can find details of local IFAs at **www.unbiased.co.uk**.

How much can I pay?

You will receive full tax relief on contributions to as many different tax-registered pension arrangements as you choose, provided that the total paid in each year does not exceed your annual earnings or the Annual Allowance (see Definitions).

As long as the total increase in your benefits in any one year does not exceed the Annual Allowance (see Definitions) , you will receive tax relief on up to 100% of your UK taxable earnings. For example, if your normal contribution rate to SHPS is 7%, this will give you scope to pay up to a further 93% of your earnings as tax-free AVCs.

If your contributions exceed 100% of your earnings in any tax year then tax on the excess, at your marginal rate, is payable through self-assessment.

If you are a high earner, please also read the section on 'Annual Allowance' (see Definitions).

Who do I pay AVCs to?

You can pay AVCs to TPT or you can pay contributions to an alternative pension provider of your choice. Your employer will offer one or more suitable arrangements for AVCs administered by TPT. If you select from these options the AVC will be deducted via payroll along with your normal pension contributions and tax relief will be gained immediately. Full details of the relevant TPT AVC scheme offered by your employer can found in the separate member guide relating to that scheme. Please contact TPT if you require details of how to access this information

If you choose an alternative provider you will need to make your own arrangements to pay directly to your chosen provider and reclaim the tax relief via self-assessment. Full details of the options available to you, and further information about AVCs, will be provided by TPT on request.

How do I pay AVCs?

Your AVCs to TPT will be deducted from your salary in the same way as your normal contributions, which means you benefit from tax relief immediately. They are usually a percentage of your salary and can be stopped, started, increased and decreased on request.

TPT can accept lump sum payments of AVCs instead of regular monthly payments. However, these payments must be made via your employer's payroll in the same way as we receive your main contributions. TPT cannot receive personal payments or cheques direct from members.

Before making any payment you will need to complete an AVC Application Form available from the Administration Team (contact details can be found on page 2) or at **www.tpt.co.uk** and pass it to your Payroll Team.

What do my AVCs buy?

Your AVC fund will be used to provide additional benefits. The amount of pension will depend on variable factors such as:

- how much you pay;
- the age at which you take these benefits;.
- the investment return and the effect of any charges;
- the size of your AVC fund; and
- the cost of buying a pension when you retire.

After you start paying AVCs you will receive an annual statement which will include, where appropriate, a pension projection on stated assumptions. A Defined Contribution pension projection calculator is available on the SHPS website **www.tpt.co.uk** which you can use to provide an indication of expected benefits. These illustrations are indications only and are not guaranteed.

The AVC pension is usually payable from the same date as your main scheme benefits although AVC benefits can be taken on, before or after retirement. The AVC pension will be provided by buying a pension from an insurance company. The pension will be paid to you directly by your chosen pension provider.

Can I take my AVCs as cash?

Following the 2014 budget, changes came into effect from 6 April 2015 giving members aged Normal Minimum Pension Age (see Definitions) and over greater choices over how they access their pension savings, including AVCs. Members can now take all of their AVC pot as cash. 25% of the pot would be tax-free, with the remainder subject to their marginal income tax rate in that year.

Further information is available from Pension Wise, which is a government-backed service offering free and impartial guidance to over 50s. They will explain the options available to members with defined contribution pension pots (including AVCs). Please see **www.moneyhelper.org.uk** for further details.

If choosing to take part of your pension benefits as a pension commencement lump sum, you may be able to use some or all of your AVC fund (or any fund you may have built up through membership of the Defined Contribution structure within the Scheme) for that purpose. Please notify the administration team during the retirement process if this is your intention.

Financial Guidance

The UK government recognises the importance of making good financial decisions and that information regarding retirement incomes is vital to ensuring your long term welfare. From April 2015, a free pensions guidance service, called Pension Wise, will be available for members with defined contribution (money purchase) arrangements. This includes members with AVC funds, who are approaching retirement. This is separate to independent financial advice which is available. For further details go to **www.pensionwise.gov.uk**.

What if...

What if I work part-time?

If you work part-time your employer would have provided details of the hours you worked, and when, whilst you were a member of the Scheme. Your pension contributions will be based on your actual part-time pay. When your benefits are calculated the service and pensionable earnings will be converted to full-time equivalent amounts so that each period of part-time and fulltime working is included proportionately. Further details are included on the enclosed insert(s) applicable to your membership. Whilst you work part-time any death benefits will be based on your actual part-time pay and any prospective service will be included assuming no change to the hours you worked at the date of your death.

What if I divorce?

The courts may order that your pension rights must be shared with your ex-spouse. Full contact details are provided on the back cover of this booklet should you require any information or quotations linked to a divorce. Members should take appropriate legal advice. On the dissolution of a civil partnership, the same pension sharing rules as those used for divorce will apply.

What if I take maternity leave?

You will pay contributions on the pensionable earnings you receive from your employer during the first 39 weeks of maternity leave.

Your employer will pay its full contribution as normal and, as your pay gradually reduces, an additional amount to cover any shortfall in the contributions you pay. For example, if your pay has halved after 10 weeks' maternity leave, at that point you will pay contributions based on half your normal pay; your employer will pay its normal amount, plus an amount equal to half your normal contribution in order to bring the total contribution up to the normal level (i.e. as though you were at work).

Please note: If you return to work before 39 weeks' absence, your normal contributions must resume immediately.

During weeks 40 to 52, unless you are still receiving pay from your employer, no contributions are due and no benefits will accrue.

On your return to work your employer should resume deducting contributions as normal.

If you wish to pay arrears of contributions to cover any period of unpaid maternity leave, your employer has discretion over whether or not to pay its contributions. Please note: If your employer declines to pay, you may, if you wish, pay the employer's share. If anything less than the full amount is paid, your benefits will be adjusted to reflect the proportion of the full contributions that has been paid.

If you die while on maternity leave the full range of death benefits will be paid. This would be based on the rate of earnings you would be receiving if you were not on maternity leave.

If you decide not to return to work your membership will continue up to week 39 of your maternity leave or later where you have continued to be paid.

What if I take family leave?

In the Scheme rules, family leave means leave that men and women are entitled to take by law, such as paternity leave, adoption leave or parental leave (used to care for a child). If such leave is paid, the rules apply as for maternity leave. If the leave is unpaid, the rules apply as for any other temporary absence (see below). Please note: The above applies to any periods of 'additional paternity leave' which may be granted to members whose babies were born on or after 3 April 2011.

If you die whilst on family leave, the full range of death benefits will be paid. These would be based on the rate of earnings you would have been receiving if you were not on family leave.

What if I am absent from work?

If your absence is due to illness or injury, or you are on family leave as allowed by law, and your pay ceases, contributions will stop. When you return to work you will have the option to pay the contributions missed. If you opt to do so, your employer may, at its discretion, also choose to pay the employer contributions missed.

If both you and your employer pay full contributions, you will have full benefits for the period of absence. Please note: Should your employer decline to pay arrears, you may, if you wish, pay the employer's share to provide full service.

If anything less than the full amount is paid, your benefits will be adjusted to reflect the proportion of the full contributions that has been paid.

Should you choose not to pay the contributions missed, you will not accrue any pension benefits for that period.

Where your absence lasts for less than three years the full range of death benefits will be payable. If your employer approves any other leave of absence you may be able to continue your membership of the Scheme for a period of up to three years. This is subject to the agreement of the Trustee.

After three years' absence you will be treated as a leaver, as described in the Leaving section of this booklet. Your date of leaving the Scheme will be the earlier of the date at which your pension contributions stopped or the date you had been absent for three years. The only exception to this is where your absence is due to illness or injury, in which case you may remain in the Scheme indefinitely subject to your employer agreeing to make the necessary payments.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997 you usually (unless you left before 6 April 1992) had the option to pay reduced contributions in return for giving up some of the survivor's pension benefits that would be payable on your death.

Please see the enclosed insert(s) applicable to your membership for further details.

Further Information

Who looks after the Scheme?

The day-to-day administration is entrusted to TPT Retirement Solutions, which has been administering pension schemes since 1946. TPT is directly answerable to its members - the employers who choose its pension schemes and the active members, pensioners and deferred members who belong to these schemes. TPT is not an insurance company.

Scheme registration

From 6 April 2006, the Scheme is a registered pension scheme for the purposes of Part 4 of the Finance Act 2004. The Pension Scheme Tax Reference is 00281218RV.

Are there any restrictions on benefits?

Prior to 6 April 2024, HM Revenue & Customs imposed a limit on the overall value of pension benefits you could receive without incurring additional tax charges (known as the lifetime allowance). This limit was removed from 6 April 2024. However, there are new limits in place from 6 April 2024 on tax-free lump sums. These are known as the lump sum allowance ("LSA") and lump sum and death benefit allowance ("LSDBA").

The LSA is £268,275 and it limits the total tax-free cash you can take from your pension arrangements. TPT will ask you for further information about your LSA when paying any lump sum you have chosen to receive upon commencing your pension.

The LSDBA is set at £1,073,100. This is the limit on the amount that can be paid tax-free both during your lifetime and on your death. It applies to the same payments as the LSA but also if you qualify for a serious ill-health lump sum or certain other lump sums in the event of your death.

Both of the above allowances apply across all your pension benefits so may be reduced to reflect benefits taken prior to you commencing your pension benefits from, or the payment of any death benefits under, the Scheme. For example, if you have the standard LSA of £268,275 but have already taken tax-free lump sums from other schemes of £200,000, the maximum tax-free lump sum that could be paid from the Scheme would be £68,275.

If you have any type of lifetime allowance protection, please let TPT know before putting your benefits into payment, as this may result in an increase to the above allowances.

Can I assign my pension?

No, except where permitted by law on divorce, you cannot sign away your pension rights, even temporarily, for example as security for a loan.

The Trustee Company

The Scheme is governed by a Trustee Company called Verity Trustees Limited. Directors are nonexecutive, four nominated by members, four nominated by employers and up to three coopted by the member nominated and employer nominated Directors. The Trustee also appoints external advisors to support it in various specialist capacities where required.

SHPS governance structure

With effect from 1 December 2017, a new governance structure was introduced which replaced the combined SHPS Pensions Committee with two separate committees. Under this structure the Scheme Committee (SC) exercises delegated Trustee responsibilities. The Employer Committee (EC) acts as the representative body for employers participating in SHPS.

The main roles of the two committees are set out as follows:

Scheme Committee

- Scheme funding, setting of valuation assumptions and recovery plan
- Investment strategy
- Participate in panels considering Appeals and Discretions cases
- Other delegated trustee powers

Employer Committee

- Represent participating employers where consultation is required such as setting valuation assumptions, recovery plan and investment strategy
- Scheme stewardship - monitor TPT service levels
- Scheme benefits - consider changes to benefit structures

The State Pension

You may be able to claim the new State Pension on reaching State Pension Age if you're a man born on or after 6 April 1951, or a woman born on or after 6 April 1953. Eligibility is based on your National Insurance record

To find out more about the State Pension visit **https://www.gov.uk/state-pension**.

Contracting-out prior to April 2016

Between 6 April 1997 and 5 April 2016 a contracted-out scheme had to provide benefits for members which were broadly equivalent to, or better than, those that would have been provided under a 'Reference Scheme'. The requirement was for the benefits overall to be as good as those under this Reference Scheme, although there is no guarantee that every member's own benefits would pass that test.

For any period of membership between 6 April 1978 and 5 April 1997 a Guaranteed Minimum Pension (GMP) had to be provided for each member who was contracted out. The GMP is payable to women from age 60 and men from age 65, or the date of retirement, if later. At that age, the pension payable has to be at least as much as the GMP. The main impact the GMP has on retirement pensions is the way that pension increases after it starts to be paid. Please refer to the section 'How does my pension increase?', earlier in this guide, for details of how the GMP affects the annual increase in your pension.

Having a GMP can sometimes restrict your ability to retire early and / or take tax-free cash. We will notify you if you are affected.

Pension Tracing Service

Details of TPT (and all its pension schemes) have been registered with the Pension Tracing Service and the address is:

The Pension Service
Post Handling Site A
Wolverhampton
WV98 1AF
United Kingdom

Telephone: **0845 600 2537**
Text Phone: **0345 3000 169**

Reference: 10170418

The purpose of this registration is to help individuals trace their pension rights. If you think you have pension benefits with a previous employer's scheme, but have lost contact, the Pension Tracing Service may be able to help.

Rights, obligations and limitations

The rights and obligations of members of SHPS are set out in the Trust Deed and Rules and the Scheme Document which are the formal documents of the Scheme. This Guide is intended to provide a clear and simple explanation of the main benefits you are entitled to under the Scheme.

If there is any conflict between the interpretation given in this Guide and the formal Trust Deed and Rules or the Scheme Document, the legal interpretation of the formal documents will prevail. Copies of the Trust Deed and Rules and Scheme Document are available from TPT. Full contact details are provided on the back cover of this booklet, or from the website at **www.tpt.co.uk**.

Before making any financial commitment on the basis of any information provided in respect of retirement benefits, please contact TPT for final confirmation of the expected level of benefits. Staff will be pleased to provide any further information or assistance you may need.

TPT is not registered under the Financial Services and Markets Act 2000 to give financial advice.
Any information that is provided to members or prospective members should therefore be taken to constitute information and not be taken to constitute advice. When providing information to members or prospective members, TPT takes care to provide an accurate service but the decision and choice remain the individual's, for which TPT cannot be responsible.

General Data Protection Regulation (GDPR)

For more detailed information on how we use and disclose personal information, the protections we apply, the legal basis for our use of personal information and your data protection rights under the General Data Protection Regulation, see our privacy notice at **www.tpt.co.uk/privacy-policy**.

If you would like a copy of the privacy notice to be sent to you, please email **privacy@tpt.co.uk** or call **0113 394 2779**.

Annual Report and Financial Statements

Members receive a summarised version of the Annual Report and Financial Statements each year, but are entitled to the full version that will be provided on request. Alternatively, a copy can be viewed on TPT's website at **www.tpt.co.uk**.

Termination

The Scheme is a centralised scheme and is intended to provide long-term security for the benefit of its past, present and future members. If your employer decides to withdraw from the Scheme you will normally be entitled to benefits calculated as if you had left service.

Pension Protection Fund (PPF)

1. The PPF is a fund designed to protect members' rights under company Defined Benefit pension schemes should the employer become insolvent.

2. The PPF is funded by a levy on company pension schemes that are potentially eligible to benefit from it. The levy on the Scheme will not result in a reduction to your pension.

3. Benefits payable under the PPF are, briefly, as follows:

   - your full pension if you have reached your scheme's NPA or receive an ill health pension (regardless of your age);
   - 90% of the expected scheme pension for all other members;
   - widow/ers' or survivors' pensions of 50% of the members' pensions; and
   - pension earned from April 1997 will increase each year in line with CPI up to a maximum of 2.5%. Pension relating to service before April 1997 will not be increased under the PPF.

4. In general, benefits will be paid from the PPF, as opposed to your own scheme, when:

   - your employer becomes insolvent, or in circumstances where the Trustee or The Pensions Regulator consider this likely; and
   - the assets of its pension scheme are insufficient, (i.e. there is not enough money to pay at least the level of PPF benefit described in point 3 above).

5. Multi-employer schemes (such as SHPS) will only be admitted to the PPF if all the participating employers become insolvent, or if there is concern that all of the employers are unlikely to continue as going concerns.

Complaints

Complaints Procedure

If you have a problem or complaint in connection with your pension, we recommend that you initially discuss this with your usual contact at TPT. If they are unable to resolve the matter you may find it helpful to speak to the Administration Manager and/or the Head of Pensions Administration.

If your complaint cannot be resolved informally and you remain dissatisfied you may at any time follow the formal complaints procedure; this has two stages and is summarised below.

Disputes – Formal Resolution – If you remain dissatisfied, you may request (in writing) a formal resolution from the Head of Trustee Services. A decision should be provided within two months of your formal request.

Appeal – If you remain unhappy or disagree with the formal resolution from the Head of Trustee Services, within six months of the decision you have the right to appeal to the Trustee. The result of your appeal should be provided within two months of your request.

The Money and Pensions Service (MaPS)

MaPS (and MoneyHelper, which is part of this service) is available at any time to assist members and beneficiaries of the Scheme in connection with pension questions and issues they have failed to resolve with the Trustee.

Money and Pension Service, Borough Hall, Cauldwell Street, Bedford, MK42 9AB

Telephone: **0800 011 3797**

Or visit: **www.maps.org.uk**

The Pensions Ombudsman

If you have a complaint concerning your pension arrangements with TPT, you should first make a formal complaint to us using the procedure outlined above.

If we are unable to resolve the complaint with you, then you can refer your complaint to The Pensions Ombudsman. The Pensions Ombudsman can be contacted at:

10 South Colonnade,
Canary Wharf,
London E14 4PU

Telephone: **0800 917 4487**

Email: **Enquiries@pensions-ombudsman.org.uk**

Website: **www.pensions-ombudsman.org.uk**

You can also submit a complaint online: **www.pensions-ombudsman.org.uk/making-complaint**

The Pensions Regulator (TPR)

TPR is able to intervene in the Scheme administration where the Trustee, managers, employers or professional advisers have failed in their duties.

Customer Support, The Pensions Regulator, Telecom House, 125-135 Preston Road, Brighton BN1 6AF

Telephone: **0345 600 0707**

Email: **customersupport@tpr.gov.uk**

Or visit: **www.thepensionsregulator.gov.uk/en**

Definitions

Additional Voluntary Contributions (AVCs)

The name given to any contributions you pay above your 'normal' contributions to the Scheme to secure extra benefits.

Annual Allowance

This is the amount by which the value of your pension benefits may increase in any tax year.

The Annual Allowance is currently £60,000 and if the value of your pension increases by more than this amount in a tax year a tax charge will apply on the excess. This will be paid either by you or by TPT. Details can be found by visiting **www.gov.uk/tax-on-your-private-pension/annual-allowance**.

Benefits

The pensions and other payments made to members and their dependants on death, retirement and after leaving the Scheme.

Consumer Prices Index

The Consumer Prices Index (CPI), capped as set out in this Guide, is used to calculate increases on pensions in payment.

Deferred Pension

The pension secured for you on leaving service and is payable on retirement.

Final Pensionable Earnings

The yearly average of your last three years' pensionable earnings. This is increased by the rise in the Retail Prices Index in the year ending six months before you retire.

Guaranteed Minimum Pension (GMP)

That part of your pension, which is payable in place of the Additional State Pension for any period between 6 April 1978 and 5 April 1997 during which you were contracted-out in the Scheme. The Scheme pays a GMP to you during retirement or a widow's or widower's GMP to your legal spouse or civil partner after your death as part of the Scheme pension. The Scheme must provide at least this level of pension once you reach 'GMP age', which is 60 for women and 65 for men.

Interest

Compound interest calculated annually on the amount of the members' contributions at the end of the preceding September. The rate of interest will vary from time to time. For refunds of contributions on death, interest only accrues up to the date of death.

Lifetime Allowance

In the Spring Budget 2023 the Government announced its intention to abolish the 'lifetime allowance' with effect from 6 April 2024. However, we are still required to carry out various checks before putting benefits into payment. The specific tax charge which previously existed for exceeding the lifetime allowance was removed with effect from 6 April 2023. but this has been replaced with the lump sum allowance (LSA) (£268,275) and the lump sum and death benefit allowance (LSDBA) (£1,073,100) with effect from 6 April 2024. The LSA applies in relation to pension commencement lump sums or uncrystallised pension funds lump sums. The LSDBA applies to a wider range of relevant lump sums and lump sum death benefits.

If you are concerned that your lump sum or lump sum death benefits from all sources may breach the LSA or LSDBA you should consult an Independent Financial Adviser (IFA) as to your best course of action.

Limited Price Indexation (LPI)

It is a requirement under the Pensions Act 1995 to pay specified increases on pensions in payment that were built up on or after 6 April 1997.

For pension accrued before 6 April 2005, LPI is currently defined as the rise in the Consumer Prices Index up to a maximum of 5%. For pension accrued from 6 April 2005, the law requires (as a minimum) that the Scheme pays increases in line with the Consumer Prices Index, capped at 2.5%. However, SHPS pension increases continued to be paid on the pre 6 April 2005 basis (i.e. capped at 5%) for all pension accrued up to 31 March 2016 and for pension accrued after 1 April 2016 SHPS will pay pension increases based on the rise in CPI up to a maximum of 2.5%.

Lump sum allowance (LSA)

The LSA is £268,275 and it limits the total tax-free cash you can take from your pension arrangements. TPT will ask you for further information about your LSA when paying any lump sum you have chosen to receive upon commencing your pension.

Lump sum and death benefit allowance (LSDBA)

The LSDBA is set at £1,073,100. This is the limit on the amount that can be paid tax-free both during your lifetime and on your death. It applies to the same payments as the LSA but also if you qualify for a serious ill-health lump sum or certain other lump sums in the event of your death.

Both the LSA and LSDBA apply across all your pension benefits so may be reduced to reflect benefits taken prior to you commencing benefits from, or the payment of death benefits under, the Scheme. For example, if you have already taken tax-free lump sums from other schemes of £200,000, the maximum tax-free lump sum that could be paid from the Scheme would be £68,275.

Normal Minimum Pension Age (NMPA)

The normal minimum pension age (NMPA) is the earliest age at which most people can access their pension savings. Currently, the NMPA is 55, but it will increase to 57 from 6 April 2028. This means that from that date onwards, most individuals will need to wait until they are 57 before they are permitted to start their pensions, unless they have a protected pension age or are retiring due to ill health.

Normal Pension Age (NPA)

NPA is currently age 67.

Pensionable Earnings

This is normal gross pay received each year including London Weighting (where applicable), shift pay, contractual bonuses, overtime, allowances and such other emoluments as agreed with the Trustee, but excluding non-contractual overtime or other such emoluments agreed with the employer.

A 'pre-sacrifice' amount may be used by your employer if you participate in a salary sacrifice arrangement (e.g. where a salary sacrifice scheme has been established by your employer to make National Insurance savings).

Pensionable Service

This is your period of membership of the Scheme (in years and completed months).

Protected Pension Age

Members who joined the Scheme before 6 April 2006 will have a Protected Pension Age of 50 from 6 April 2010. This allows these members to retire from age 50 after 5 April 2010, but if they retire before the Normal Minimum Pension Age (see above) certain additional conditions apply. Further details are available from TPT on request.

Reference Scheme Test

In order to be permitted to contract out of the Additional State Pension, from 6 April 1997 to 5 April 2016, the Scheme had to provide benefits at least equal to the Reference Scheme (as defined by legislation for contracting-out purposes). Unlike GMP this is not an individual entitlement and is instead measured across the whole membership of the Scheme.

Retail Prices Index

The Retail Prices Index (RPI), capped as set out in this Guide, is currently used to calculate increases in deferred pensions.

The Scheme

This is the Social Housing Pension Scheme (SHPS) (formerly known as the NFHA/HC Pension Scheme).

These definitions are provided as a summary. Please see the formal Trust Deed and Rules and Scheme Document if further clarification is required.

Benefit Insert Appendix

Defined Benefit for CARE and Final Salary

CARE 1/60th Benefit Structure

The calculation of your pension on leaving or retirement will depend on the benefit structure(s) of which you have been a member during your period of membership of the Scheme. If you have been a member of a number of different benefit structures, each element of pension will be calculated separately and then added together to arrive at your total benefit from the Scheme.

The information included in this insert applies to periods of membership in the CARE 1/60th benefit structure.

Calculation of pension

For your period of membership in this benefit structure you will receive a pension of:

1/60th x total career averaged revalued earnings.

In practice your pension is built up from blocks of pension calculated each year, based on 1/60th of your Pensionable Earnings each year.

The pension earned each year up to 31 March 2013 is increased by the rise in the Retail Price Index, up to a maximum of 5%. The pension earned from 1 April 2013 to 31 March 2016 is increased by the rise in the Consumer Prices Index (CPI), up to a maximum of 5%, for each subsequent complete year up to your retirement date. The pension earned each year after 1 April 2016 is increased by the rise in the CPI, up to a maximum of 2.5% for each subsequent complete year up to your retirement date.

- Revaluation under the rules is for complete years and is effective from 1 April each year.
- The pension earned during your last complete year of membership (April to March) plus the pension earned from 1 April to the date you leave or retire is not revalued under the rules of the Scheme.

Example:

If, at retirement, you have been a member of the CARE 1/60th benefit structure for five years and your earnings history is as shown in the table below, your pension would be calculated as follows:

The assumed value of the Consumer Prices Index for each year is shown in the table on page 33.

Table A – Example Data (please read in conjunction with Table B below)

Pension	Assumed Earnings	Pension (1/60th of earnings)	Assumed CPI Inflation	RPI Inflation Awarded
Year 1	£13,500	£225.00	n/a	n/a
Year 2	£14,000	£233.33	3.0%	3.0%
Year 3	£14,500	£241.67	2.5%	2.5%
Year 4 (Post April 2016)	£15,000	£250.00	2.4%	2.4%

Table B – Revalued Pension

Pension	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total
Year 1	£225.00	x 1.03	x 1.025	x 1.024	x 1.027	= £249.81
Year 2		£233.33	x 1.025	x 1.024	x 1.027	= £251.52
Year 3			£241.67	x 1.024	x 1.027	= £254.15
Year 4 (Post April 2016)				£250.00	x 1.025*	= £256.25
Year 5 (Post April 2016)					£258.33	= £258.33

Please note: If you have had a transfer into the Scheme, the benefits secured by the transfer will have been notified to you at the time and will be paid in addition to those calculated for your period of membership in the Scheme.

You will find explanations of the terms used in the definitions section of the booklet.

What if I work part-time?

In the CARE benefit structure your pension is calculated each year based on your actual Pensionable Earnings. Therefore, the number of hours you work are already taken into account, as your Pensionable Earnings will reflect the hours you have worked during the year.

Retirement benefits

Your retirement benefits in respect of membership of this benefit structure will be calculated as described above based on your actual Pensionable Earnings for each year of service.

This booklet explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

Deferred pension

If you leave the Scheme and choose to receive a deferred pension, your deferred pension in respect of membership of this benefit structure will be calculated as described above based on your actual Pensionable Earnings for each year of service up to your date of leaving.

Please refer to the section entitled Leaving in this booklet for information on how your deferred pension will increase prior to you retiring.

It also explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997, you had the choice of paying:

- full contributions to provide for a full survivor's pension; or
- reduced contributions and giving up part of the survivor's pension.

The reduced contribution rate will change from time to time and can be provided by TPT on request. If you are already a 'Reduced Rate Member', the option to pay reduced contributions continues to apply to this benefit structure.

You may have elected to pay full contributions in order to provide for a survivor's pension later in your membership. In this event, the pension for your nominated survivor will be calculated from the date on which you started to pay the full rate of contributions. Once you decide to pay the full contribution, you will not be able to reverse your decision. If you have paid the full contribution, at retirement you can elect not to provide for a survivor's pension, and take an enhanced pension for yourself. Details will be provided to eligible members on retirement.

(These options do not apply to members who left before 6 April 1992).

Moving between benefit structures

If your employer operates a different open Defined Benefit structure for new employees, you are able to elect to switch to the open benefit structure. You should complete the Transfer to New Benefit Structure Form which is available on request or to download from the SHPS website at **www.tpt.co.uk.**

If you elect to switch benefit structures you will not be able to switch back to CARE 1/60th in the future.

CARE 1/80th Benefit Structure

The calculation of your pension on leaving or retirement will depend on the benefit structure(s) of which you have been a member during your period of membership of the Scheme. If you have been a member of a number of different benefit structures, each element of pension will be calculated separately and then added together to arrive at your total benefit from the Scheme.

The information included in this insert applies to periods of membership in the CARE 1/80th benefit structure.

Calculation of pension

For your period of membership in this benefit structure you will receive a pension of:

1/80th x total career averaged revalued earnings.

In practice your pension is built up from blocks of pension calculated each year based on 1/80th of your Pensionable Earnings each year.

The pension earned each year up to 31 March 2013 is increased by the rise in the Retail Price Index, up to a maximum of 5%. The pension earned from 1 April 2013 to 31 March 2016 is increased by the rise in the Consumer Prices Index (CPI), up to a maximum of 5%, for each subsequent complete year up to your retirement date. The pension earned each year after 1 April 2016 is increased by the rise in the CPI, up to a maximum of 2.5% for each subsequent complete year up to your retirement date.

- Revaluation under the rules is for complete years and is effective from 1 April each year.
- The pension earned during your last complete year of membership (April to March) plus the pension earned from 1 April to the date you leave or retire is not revalued under the rules of the Scheme.

Example:

If, at retirement, you have been a member of the CARE 1/80th benefit structure for five years and your earnings history is as shown in the table below, your pension would be calculated as follows:

The assumed value of the Consumer Prices Index for each year is shown in the table.

Table A – Example Data (please read in conjunction with Table B on page 36)

Year	Assumed Earnings	Pension (1/80th of earnings)	Assumed CPI Inflation	RPI Inflation Awarded
Year 1	£13,500	£168.75	n/a	n/a
Year 2	£14,000	£175.00	3.0%	3.0%
Year 3	£14,500	£181.25	2.5%	2.5%
Year 4 (Post April 2016)	£15,000	£187.50	2.4%	2.4%
Year 5 (Post April 2016)	£15,500	£193.75	2.7%	2.5% * (Capped at 2.5%)

Table B – Revalued Pension

Pension	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total
Year 1	£168.75	x 1.03	x 1.025	x 1.024	x 1.027	= £187.36
Year 2		£175.00	x 1.025	x 1.024	x 1.027	= £188.64
Year 3			£181.25	x 1.024	x 1.027	= £190.61
Year 4 (Post April 2016)				£187.50	x 1.025*	= £192.19
Year 5 (Post April 2016)					£193.75	= £193.75
Total pension after the end of year 5				*capped at 2.5%		£952.55

Please note: If you have had a transfer into the Scheme, the benefits secured by the transfer will have been notified to you at the time and will be paid in addition to those calculated for your period of membership in the Scheme.

You will find explanations of the terms used in the definitions section of the booklet.

What if I work part-time?

In the CARE benefit structure your pension is calculated each year based on your actual Pensionable Earnings. Therefore, the number of hours you work are already taken into account, as your Pensionable Earnings will reflect the hours you have worked during the year.

Retirement benefits

Your retirement benefits in respect of membership of this benefit structure will be calculated as described above based on your actual Pensionable Earnings for each year of service.

The 'A Guide for Members- Defined Benefit for CARE and Final Salary' booklet explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

Deferred pension

If you leave the Scheme and choose to receive a deferred pension, your deferred pension in respect of membership of this benefit structure will be calculated as described above based on your actual Pensionable Earnings for each year of service up to your date of leaving.

Please refer to the section entitled Leaving in this booklet for information on how your deferred pension will increase prior to you retiring.

It also explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997 you had the choice of paying:

- full contributions to provide for a full survivor's pension; or
- reduced contributions and giving up part of the survivor's pension.

The reduced contribution rate will change from time to time and can be provided by TPT on request. If you are already a 'Reduced Rate Member', the option to pay reduced contributions continues to apply to this benefit structure.

You may have elected to pay full contributions in order to provide for a survivor's pension later in your membership. In this event, the pension for your nominated survivor will be calculated from the date on which you started to pay the full rate of contributions. Once you decide to pay the full contribution, you will not be able to reverse your decision.

If you have paid the full contribution, at retirement you can elect not to provide for a survivor's pension, and take an enhanced pension for yourself. Details will be provided to eligible members on retirement.

(These options do not apply to members who left before 6 April 1992).

Moving between benefit structures

If your employer operates a different open defined benefit (DB) structure for new employees, you are able to elect to switch to the open benefit structure. You should complete the Transfer to New Benefit Structure Form which is available on request or to download from the SHPS website at **www.tpt.co.uk.**

If you elect to switch benefit structures you will not be able to switch back to CARE 1/80th in the future.

CARE 1/120th Benefit Structure

The calculation of your pension on leaving or retirement will depend on the benefit structure(s) of which you have been a member during your period of membership of the Scheme. If you have been a member of a number of different benefit structures, each element of pension will be calculated separately and then added together to arrive at your total benefit from the Scheme.

The information included in this insert applies to periods of membership in the CARE 1/120th benefit structure.

Calculation of pension

For your period of membership in this benefit structure you will receive a pension of:

1/120th x total career averaged revalued earnings.

In practice your pension is built up from blocks of pension calculated each year, based on 1/120th of your Pensionable Earnings each year.

The pension earned each year up to 31 March 2013 is increased by the rise in the Retail Price Index, up to a maximum of 5%. The pension earned each year up to 31 March 2016 is increased by the rise in the Consumer Prices Index (CPI), up to a maximum of 5%, for each subsequent complete year up to your retirement date. The pension earned each year after 1 April 2016 is increased by the rise in the CPI, up to a maximum of 2.5% for each subsequent complete year up to your retirement date.

- Revaluation under the rules is for complete years and is effective from 1 April each year.
- The pension earned during your last complete year of membership (April to March) plus the pension earned from 1 April to the date you leave or retire is not revalued under the rules of the Scheme.

Example:
If, at retirement, you have been a member of the CARE 1/120th benefit structure for five years and your earnings history is as shown in the table below, your pension would be calculated as follows:

The assumed value of the Consumer Prices Index for each year is shown in the table.

Table A – Example Data (please read in conjunction with Table B on page 39)

Pension	Assumed Earnings	Pension (1/120th of earnings)	Assumed CPI Inflation	RPI Inflation Awarded
Year 1	£13,500	£112.50	n/a	n/a
Year 2	£14,000	£116.67	3.0%	3.0%
Year 3	£14,500	£120.83	2.5%	2.5%
Year 4 (Post April 2016)	£15,000	£125.00	2.4%	2.4%
Year 5 (Post April 2016)	£15,500	£129.17	2.7%	2.5% * (Capped at 2.5%)

Table B – Revalued Pension

Pension	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total
Year 1	£112.50	x 1.03	x 1.025	x 1.024	x 1.027	= £124.91
Year 2		£116.67	x 1.025	x 1.024	x 1.027	= £125.76
Year 3			£120.83	x 1.024	x 1.027	= £127.07
Year 4 (Post April 2016)				£125.00	x 1.025*	= £128.13
Year 5 (Post April 2016)					£129.17	= £129.17
Total pension after the end of year 5				*capped at 2.5%		£635.04

Please note: If you have had a transfer into the Scheme, the benefits secured by the transfer will have been notified to you at the time and will be paid in addition to those calculated for your period of membership in the Scheme.

You will find definitions of the terms used in the definitions section of this booklet.

What if I work part-time?

In the CARE benefit structure your pension is calculated each year based on your actual Pensionable Earnings. Therefore, the number of hours you work are already taken into account, as your Pensionable Earnings will reflect the hours you have worked during the year.

Retirement benefits

Your retirement benefits in respect of membership of this benefit structure will be calculated as described above based on your actual Pensionable Earnings for each year of service.

This booklet explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

Deferred pension

If you leave the Scheme and choose to receive a deferred pension, your deferred pension in respect of membership of this benefit structure will be calculated as described above based on your actual Pensionable Earnings for each year of service up to your date of leaving.

Please refer to the section entitled leaving in this booklet for information on how your deferred pension will increase prior to you retiring.

It also explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997, you had the choice of paying:

- full contributions to provide for a full survivor's pension; or
- reduced contributions and giving up part of the survivor's pension.

The reduced contribution rate will change from time to time and can be provided by TPT on request. If you are already a 'Reduced Rate Member', the option to pay reduced contributions continues to apply to this benefit structure.

You may have elected to pay full contributions in order to provide for a survivor's pension later in your membership. In this event, the pension for your nominated survivor will be calculated from the date on which you started to pay the full rate of contributions. Once you decide to pay the full contribution, you will not be able to reverse your decision.

If you have paid the full contribution, at retirement you can elect not to provide for a survivor's pension, and take an enhanced pension for yourself. Details will be provided to eligible members on retirement.

(These options do not apply to members who left before 6 April 1992).

Moving between benefit structures

If your employer operates a different open defined benefit (DB) structure for new employees, you are able to elect to switch to the open benefit structure. You should complete the Transfer to New Benefit Structure Form which is available on request or to download from the SHPS website at **www.tpt.co.uk**.

If you elect to switch benefit structures you will not be able to switch back to CARE 1/80th in the future.

Final Salary 1/60th Benefit Structure

The calculation of your pension on leaving or retirement will depend on the benefit structure(s) of which you have been a member during your period of membership of the Scheme. If you have been a member of a number of different benefit structures, each element of pension will be calculated separately and then added together to arrive at your total benefit from the Scheme.

The information included in this insert applies to periods of membership in the Final Salary 1/60th benefit structure.

Calculation of pension

For your period of membership in this benefit structure you will receive a pension of:

1/60th x pensionable service x earnings

For example, if you had completed 20 years' service in this benefit structure when you left and your earnings were £25,000 your pension would be calculated as follows:

1/60th x 20 years x £25,000 = £8,333.33 a year

If you have transferred previous benefits into the Scheme, the benefits secured by the transfer will have been notified to you at the time and will be paid in addition to those calculated for your period of membership in the Scheme.

You will find explanations of the terms used in the definitions section of this booklet.

What if I work part-time?

If you have worked the same part-time hours in your employment for the whole period of your membership of the Scheme, your pension benefits will be calculated using the method shown above using your part-time earnings.

The calculation is more complex if the number of hours you have worked has changed during your membership of the Scheme, or if your membership is made up of full-time and part-time periods. In these circumstances your service and Pensionable Earnings will be converted to full-time equivalent values in order to calculate your pension benefits.

Retirement benefits

Your retirement benefits in respect of membership of this benefit structure will be calculated as described above based on service and earnings at your actual retirement date.

For all pensionable service the earnings used to calculate your pension will be your Final Pensionable Earnings. This explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

If you leave the Scheme and choose to receive a deferred pension, your deferred pension in respect of membership of this benefit structure will be calculated as described above based on service and earnings at your date of leaving.

For pensionable service before 1 April 2007 the earnings used to calculate your pension will be the better of:

- your final pensionable earnings; and
- your actual pensionable earnings during the 12 months before you leave.

For pensionable service from 1 April 2007 the earnings used to calculate your pension will be your Final Pensionable Earnings.

Please refer to the section entitled leaving in this booklet for information on how your deferred pension will increase prior to you retiring.

It also explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997 you had the choice of paying:

- full contributions to provide for a full survivor's pension; or
- reduced contributions and giving up part of the survivor's pension.

The reduced contribution rate will change from time to time and can be provided by TPT on request. If you are already a 'Reduced Rate Member', the option to pay reduced contributions continues to apply to this benefit structure.

You may have elected to pay full contributions in order to provide for a survivor's pension later in your membership. In this event, the pension for your nominated survivor will be calculated from the date on which you started to pay the full rate of contributions. Once you decide to pay the full contribution, you will not be able to reverse your decision.

If you have paid the full contribution, at retirement you can elect not to provide for a survivor's pension, and take an enhanced pension for yourself. Details will be provided to eligible members on retirement.

(These options do not apply to deferred members who left before 6 April 1992.)

Moving between benefit structures

If your employer operates a different open Defined Benefit structure for new employees, you are able to elect to switch to the open benefit structure. You should complete the Transfer to New Benefit Structure Form which is available on request or to download from the SHPS website at **www.tpt.co.uk**.

If you elect to switch benefit structures you will not be able to switch back to Final Salary 1/60th in the future.

Final Salary 1/70th Benefit Structure

The calculation of your pension on leaving or retirement will depend on the benefit structure(s) of which you have been a member during your period of membership of the Scheme. If you have been a member of a number of different benefit structures, each element of pension will be calculated separately and then added together to arrive at your total benefit from the Scheme.

The information included in this insert applies to periods of membership in the Final Salary 1/70th benefit structure.

Calculation of pension

For your period of membership in this benefit structure you will receive a pension of:

1/70th x pensionable service x earnings

For example, if you had completed 20 years' service in this benefit structure when you left and your earnings were £25,000 your pension would be calculated as follows:

1/70th x 20 years x £25,000 = £7,142.86 a year

If you have transferred previous benefits into the Scheme, the benefits secured by the transfer will have been notified to you at the time and will be paid in addition to those calculated for your period of membership in the Scheme.

You will find explanations of the terms used in the definitions section of this booklet.

What if I work part-time?

If you have worked the same part-time hours in your employment for the whole period of your membership of the Scheme, your pension benefits will be calculated using the method shown above using your part-time earnings.

The calculation is more complex if the number of hours you have worked has changed during your membership of the Scheme, or if your membership is made up of full-time and part-time periods. In these circumstances your service and pensionable earnings will be converted to full-time equivalent values in order to calculate your pension benefits.

Retirement benefits

Your retirement benefits in respect of membership of this benefit structure will be calculated as described above based on service and earnings at your actual retirement date.

For all pensionable service the **earnings** used to calculate your pension will be your Final Pensionable Earnings. This booklet explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

If you leave the Scheme and choose to receive a deferred pension, your deferred pension in respect of membership of this benefit structure will be calculated as described above based on service and earnings at your date of leaving.

For pensionable service before 1 April 2007 the earnings used to calculate your pension will be the better of:

- your final pensionable earnings; and
- your actual pensionable earnings during the 12 months before you leave.

For pensionable service from 1 April 2007 the earnings used to calculate your pension will be your Final Pensionable Earnings.

Please refer to the section entitled leaving in this booklet for information on how your deferred pension will increase prior to you retiring.

It also explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997 you had the choice of paying:

- full contributions to provide for a full survivor's pension; or
- reduced contributions and giving up part of the survivor's pension.

The reduced contribution rate will change from time to time and can be provided by TPT on request. If you are already a 'Reduced Rate Member', the option to pay reduced contributions continues to apply to this benefit structure.

You may have elected to pay full contributions in order to provide for a survivor's pension later in your membership. In this event, the pension for your nominated survivor will be calculated from the date on which you started to pay the full rate of contributions. Once you decide to pay the full contribution, you will not be able to reverse your decision.

If you have paid the full contribution, at retirement you can elect not to provide for a survivor's pension, and take an enhanced pension for yourself. Details will be provided to eligible members on retirement.

(These options do not apply to members who left before 6 April 1992).

Moving between benefit structures

If your employer operates a different open Defined Benefit structure for new employees, you are able to elect to switch to the open benefit structure. You should complete the Transfer to New Benefit Structure Form which is available on request or to download from the SHPS website at **www.tpt.co.uk**.

If you elect to switch benefit structures you will not be able to switch back to Final Salary 1/70th in the future.

Final Salary 1/80th Benefit Structure

The calculation of your pension on leaving or retirement will depend on the benefit structure(s) of which you have been a member during your period of membership of the Scheme. If you have been a member of a number of different benefit structures, each element of pension will be calculated separately and then added together to arrive at your total benefit from the Scheme.

The information included in this insert applies to periods of membership in the Final Salary 1/80th benefit structure.

Calculation of pension

For your period of membership in this benefit structure you will receive a pension of:

1/80th x pensionable service x earnings

For example, if you had completed 20 years' service in this benefit structure when you left and your earnings were £25,000 your pension would be calculated as follows:

1/80th x 20 years x £25,000 = £6,250 a year

If you have transferred previous benefits into the Scheme, the benefits secured by the transfer will have been notified to you at the time and will be paid in addition to those calculated for your period of membership in the Scheme.

You will find explanations of the terms used in the definitions section of the booklet.

What if I work part-time?

If you have worked the same part-time hours in your employment for the whole period of your membership of the Scheme, your pension benefits will be calculated using the method shown above using your part-time earnings.

The calculation is more complex if the number of hours you have worked has changed during your membership of the Scheme, or if your membership is made up of full-time and part-time periods. In these circumstances your service and pensionable earnings will be converted to full-time equivalent values in order to calculate your pension benefits.

Retirement benefits

Your retirement benefits in respect of membership of this benefit structure will be calculated as described above based on service and earnings at your actual retirement date.

For all pensionable service the earnings used to calculate your pension will be your Final Pensionable Earnings. This booklet explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

If you leave the Scheme and choose to receive a deferred pension, your deferred pension in respect of membership of this benefit structure will be calculated as described above based on service and earnings at your date of leaving.

For pensionable service before 1 April 2007 the earnings used to calculate your pension will be the better of:

- your final pensionable earnings; and
- your actual pensionable earnings during the 12 months before you leave.

For pensionable service from 1 April 2007 the earnings used to calculate your pension will be your Final Pensionable Earnings.

Please refer to the section entitled leaving in this booklet for information on how your deferred pension will increase prior to you retiring.

It also explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997 you had the choice of paying:

- full contributions to provide for a full survivor's pension; or
- reduced contributions and giving up part of the survivor's pension.

The reduced contribution rate will change from time to time and can be provided by TPT on request. If you are already a 'Reduced Rate Member', the option to pay reduced contributions continues to apply to this benefit structure.

You may have elected to pay full contributions in order to provide for a survivor's pension later in your membership. In this event, the pension for your nominated survivor will be calculated from the date on which you started to pay the full rate of contributions. Once you decide to pay the full contribution, you will not be able to reverse your decision.

If you have paid the full contribution, at retirement you can elect not to provide for a survivor's pension, and take an enhanced pension for yourself. Details will be provided to eligible members on retirement.

(These options do not apply to members who left before 6 April 1992).

Moving between benefit structures

If your employer operates a different open Defined Benefit structure for new employees, you are able to elect to switch to the open benefit structure. You should complete the Transfer to New Benefit Structure Form which is available on request or to download from the SHPS website at **www.tpt.co.uk.**

If you elect to switch benefit structures you will not be able to switch back to Final Salary 1/80th in the future.



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