

Scottish Voluntary Sector Pension Scheme

# Employer Administration Guide

Defined Benefit for CARE and Final Salary  
Benefit Structures



Retirement Solutions

# Contents

|   |    |
|---|----|
| Introduction                                      | 3  |
| Admitting new members                             | 4  |
| Transfers   | 7  |
| Temporary absence                                 | 8  |
| Members who suffer a drop in pensionable earnings | 10 |
| Leaving the Scheme                                | 11 |
| Retirement  | 13 |
| When a member dies                                | 15 |
| Monthly contribution and data process             | 16 |
| Basic data changes                                | 18 |
| Additional Voluntary Contributions (AVCs)         | 19 |
| Employee cost calculator                          | 20 |
| Miscellaneous                                     | 21 |
| Contact details                                   | 23 |

# Introduction

This guide details the actions required in respect of specific events that may arise during the life cycle of membership of the defined benefit (DB) sections, from joining to retirement.

All of the forms referred to in the Guide are available to download on the **SHAPS website**. If you operate the Defined Contribution section of SHAPS please refer to the FAQ facility on the **SHAPS DC website**.

## Administration

The administration of SHAPS DB is managed by the Pensions Administration Services Teams at TPT Retirement Solutions. Contact details are included on page 23.

# Admitting new members

You must provide basic information about your pension arrangements to eligible employees.

This information is provided in the booklet 'A Guide for Members – Defined Benefit. Members will receive a copy when they join the Scottish Housing Associations' Pension Scheme (the Scheme). If an employee requires a copy prior to joining you can download it from the [SHAPS website](#). Alternatively, please let us know and we will issue a copy on your behalf.

## Auto enrolment

Auto enrolment was introduced by the Government – it is legislation that means eligible workers will be automatically enrolled into a qualifying workplace pension scheme. Qualifying schemes have to provide a minimum level of benefits. Employers can choose the qualifying scheme they use for eligible workers provided it meets the minimum standards. All of the SHAPS defined benefit (DB) options and the defined contribution (DC) option meet the minimum standards required for auto enrolment. TPT will provide support to assist you with the process. Further details can be found at [www.tpt.org.uk/auto-enrolment](http://www.tpt.org.uk/auto-enrolment).

Eligible workers must be automatically enrolled into a qualifying scheme. Please visit [www.tpt.org.uk](http://www.tpt.org.uk) for further information.

## Joining the Scheme

This applies to Employers who are not auto enrolling members in SHAPS DB sections, but are continuing to offer SHAPS DB benefits to their employees. When a new employee joins the company, you must access the eBusiness system and update all of the employee's HR details (this will help us to ensure that auto-enrolment criteria are being met as and when you are required to auto-enrol). You should then give the new employee an application form which when completed should be uploaded to the eBusiness system, preferably prior to the date the employee wishes to join.

The employee application form is also available to download from the [SHAPS website](#).

The member should complete the relevant sections, including the lump sum death benefits and pension nomination sections, to avoid unnecessary delays in the payment of death benefits. The employer section must also be completed in full.

Please check that all appropriate sections have been completed and that the Employee Application Form has been signed by both the employee and on behalf of the employer.

This form will then be processed by TPT and the eBusiness system will be amended to show that the employee is now a Scheme member.

Part-time employees may join the Scheme. Please ensure that the application form shows the contractual and full-time equivalent hours.

Employees who did not join the Scheme within the first year of becoming eligible to do so may apply to join. However, they will have to declare, and the employer will have to confirm, that they have completed three months' continuous service with no sickness absence immediately prior to the proposed date of joining before they can be admitted to the Scheme.

The employee will also need to declare whether they have any pre-existing medical conditions. The requirement protects the Scheme against 'adverse selection' where employees find themselves in poor health and decide to join the Scheme to take advantage of the early retirement or death-in-service provisions. Additional forms for completion by both the employee and employer will be provided upon receipt of the completed employee application form.

If the member is subsequently granted ill-health early retirement and it is established there was a known pre-existing medical condition, the Trustee reserves the right to scale back the ill-health benefits being paid.

On receipt of the employee application form, TPT will check the details provided and set up the membership record. Once the Employee Application Form has been processed a Membership Certificate will be issued direct to the member.

The employer will receive confirmation of the Membership Number and contribution rate. On receipt of the confirmation of membership you should notify your Payroll Team that contributions should be deducted and paid from the date of joining the Scheme.

Please quote the Membership Number in any future correspondence as this will help us identify the member quickly.

Contributions in respect of the member should not be deducted and sent to TPT until you have received confirmation of their Scheme membership, unless they are being deducted as part of an auto-enrolment process.

An employee will not be classed as a member of the Scheme until a completed Employee Application Form, signed by both the employer and the employee, has been uploaded to eBusiness and processed by TPT.

It is extremely important that these application procedures are followed. If this is not the case and an employee dies shortly after the expected date of joining, there could be complications with the payment of benefits.

Unless you are following an agreed auto-enrolment process, please do not deduct and remit contributions in respect of the member until you have received confirmation of their membership. If contributions or data are submitted before a membership record has been created, this will cause a validation error to be generated during the monthly contribution process. This may lead to delays in processing the monthly information and settling other members' benefits.

### **Cost to new members**

Some employees do not join the Scheme because they think that it might be too expensive. Part of the reason may be that they do not take account of the savings due to tax relief. To assist you in providing help for your employees we have enclosed an 'Employee Cost Calculator' (on page 20) which will help you to calculate the net cost.

## **Backdating membership**

In general terms it is not possible for either employers or members to backdate their membership. Therefore, the Employee application form should be completed and uploaded to the eBusiness system as soon as possible to ensure that the correct date of entry into the Scheme is recorded.

## **DB online**

After your new member has been enrolled by the Administration Team, he or she can sign up to DB online, a secure online account where they can:

- Keep personal information up to date;
- View their pension information, including their benefit statement;
- Request quotations; and
- Send enquiries direct to TPT.

They can sign up [here](#).

# Transfers

## Transfers from previous pension schemes to SHAPS

Transfers of pension benefits from other schemes are allowed into the Defined Contribution (DC) section of the Scheme and are subject to various criteria set by the Trustee.

If a member has other pension benefits and wishes to investigate the feasibility of transferring these into the DC section they should complete a 'Transfer In- Form to request transfer details' and 'Transfer in- Form to accompany transfer details', available on the [SHAPS website](#), and forward these to TPT. TPT will then confirm if a transfer is possible.

TPT and its staff are not authorised by the Financial Services & Markets Act 2000 to provide financial advice. If a member is considering a transfer of previous benefits in to the DC section, independent financial advice is recommended.

If benefits are being transferred from a Defined Benefit scheme, financial advice is mandatory if the transfer value is £30,000 or more.

Details of local registered advisers can be found at [www.unbiased.co.uk](http://www.unbiased.co.uk).

## Internal transfers within the Scheme

Employees moving between employers within the Scottish social housing sector may be entitled to continuous membership within the Scheme if both employers participate in SHAPS. An employee may claim continuous membership if they have joined your organisation within 30 days of leaving another participating employer. However, the member can choose to keep their benefits separate, if it is in their interests to do this. An example could be when their full-time equivalent salary is lower than in their past job.

If a member was in the DC section and joins an employer which offers an open defined benefit (DB) section, the membership periods will be treated separately. The same condition will apply if a member in a DB section joins an employer which only offers the DC section.

Continuous membership cannot apply between DB and DC sections in cases where a member has changed employer.

This is a complex area and members considering an internal transfer may find it helpful to discuss this with the Administration Team at TPT.

Once the member has reached a decision you will need to complete either an Internal Transfer Form or an Employee Application Form. The employer should then complete their section of the form before sending it to TPT.

## Member instigated transfer between benefit sections

A member can opt to move to a different (open) benefit offering for future benefits by completing a Transfer to New Benefit Structure Form. Such a decision cannot be reversed at a later date and this type of transfer would result in the member's accrued benefits being deferred i.e. they would not maintain any ongoing link to their pensionable salary in respect of any previously accrued final salary benefits.

# Temporary absence

## What to do when a member is absent from work

A member may be absent for some time due to family leave or illness or some other reason. It is important that you notify TPT as the absence may have an impact on the benefits payable from the Scheme.

## Maternity and family leave

Any member commencing maternity leave will, for the first 39 weeks of leave, accrue benefits as she would if she was working normally. The member's contributions will be based on her actual earnings. The employer will meet any shortfall in the member's contributions in addition to paying the normal employer contribution. The additional amount to cover any shortfall should be paid as employer contributions, not employee contributions. Therefore for the first 39 weeks of maternity leave the member will earn the same pension as she would have if she had been at work.

**Please note:** This does not apply to AVCs paid by the member unless she continues to pay AVCs throughout the period of absence.

For the period of unpaid maternity leave, from 40 to 52 weeks, no contributions are due. Benefits will not accrue during this period. Premiums in respect of death-in-service benefits are payable by the employer when no pension contributions are being paid.

When the member returns to work you should inform us, in writing, and resume deducting contributions as normal. If the member wishes to pay arrears of contributions to cover any period of unpaid maternity leave, the employer must also pay its share. TPT will confirm the benefit that has been secured following payment of the contribution arrears. If the member chooses not to pay the arrears a service break will be recorded on her membership record and no benefits will accrue for this period.

If the member does not return to work after a period of maternity leave, the employer should complete a Withdrawal Form (see Leaving the Scheme). The date of leaving will normally be the end of the paid maternity leave period.

For periods of paternity, adoption or parental leave (known collectively as 'family leave'), if the leave is paid, the same rules apply as those for maternity leave. If the leave is unpaid, the temporary absence rules apply.

Please note the option to pay contribution arrears is not available to a member who does not return to work at the end of their period of leave.

The full range of death benefits will continue to apply whilst the member is on maternity leave or family leave. Premiums in respect of death-in-service benefits are payable by the employer when no pension contributions are being paid.

## Sick leave

Contributions can continue to be paid for up to 30 months based on either earnings prior to the absence or actual earnings during absence, as agreed with the employer. Employer contributions will be payable at the same level as adopted by the member.

On returning to work, the member may choose to pay any arrears for the period of absence, in which case the employer will be required to pay its share of contributions. If both member and employer pay full contributions, the member will accrue full benefits for the period of absence. If anything less than the full amount is paid, benefits will be adjusted to reflect the proportion of the full contributions that has been paid. TPT will confirm the benefit that has been secured following payment of the contribution arrears.

Should the member choose not to pay the contribution arrears, a service break will be recorded and no benefits will accrue for this period.

**Please note:** The option to pay contribution arrears is not available to a member who does not return to work.

If the absence continues beyond 30 months, the member is treated as leaving the Scheme.

The full range of death benefits will continue to apply during the first 30 months of absence and employers will be required to pay death in service premiums if no pension contributions are being paid.

## Temporary absence

For other types of absence such as 'lifestyle choices' agreed by the employer, contributions are payable based on the earnings received. Where the member returns to work within 6 months, they will have the option to pay the contribution arrears. If the member opts to pay the arrears, the employer is required to pay the missed employer contributions. Alternatively, the absence will be recorded as a break in membership if no pay is received.

Where the absence is due to a 'lifestyle choice' and exceeds 6 months, when the member returns to work they will have the option to pay the contribution arrears. However, the employer, at its discretion, may choose to pay the employer contributions missed. Alternatively, the absence will be recorded as a break in membership if no pay is received.

If absence continues beyond 30 months the member will be treated as having left the Scheme. Please complete a Withdrawal Form showing the date of leaving as the earlier of the date the member's contributions stopped or the date when the member had been absent for 30 months (see Leaving the Scheme).

The full range of death benefits will continue to apply during the first 30 months of absence and employers will be required to pay the death in service premium if no contributions are being paid.

# Members who suffer a drop in pensionable earnings

If a member suffers a drop in their pensionable earnings and they are currently (or previously have been) in the Final Salary section, they may choose to break the salary link in order to protect the benefits they have accrued on their higher earnings.

The decision is not always clear cut and will depend on factors such as the member's age and whether they believe their earnings, post-reduction, are likely to recover to the extent that they equal or surpass their previous, higher, earnings (after allowing for the effects of inflation).

If the drop in earnings is relatively small and/or the member is many years from retirement, it is less likely that this option will be beneficial to them. However, the final decision rests entirely with the member and once made is irreversible.

Where the situation arises, the member should contact TPT in order to request a form and explanatory notes, which will allow them to make an informed choice as to whether they break the salary link.

Should the member choose to break the salary link, they must be permitted to continue with the same benefit offering as they were prior to the drop in earnings (provided the drop in earnings does not coincide with the benefit offering ceasing to be open to future accrual).

## Leaving the Scheme

This section applies to employees who are leaving the Scheme either as a result of leaving employment or a decision to opt out of the Scheme whilst remaining in employment.

### What to do when a member leaves the Scheme

Employers should complete the Withdrawal Form online within two months of the member leaving. The date of leaving and reason for leaving should also be included when you are sending your monthly data online.

The employer will not be able to submit further monthly contributions for any member if the Withdrawal Form is still outstanding at the end of the two-month period.

### What happens next?

Once notified of the withdrawal TPT will process the member's leaving options. Details will be issued direct to the member's home address. These options may be:

- **A deferred pension** – where a member has a Final Salary membership this will be pension benefit based on the service from the date the member joined the Scheme to the date of leaving and pensionable earnings. Where a member has CARE membership this will be a pension accrued each year under the relevant CARE option.

The pension remains in the Scheme and any deferred pension in excess of the Guaranteed Minimum Pension (GMP), if applicable, will continue to increase each year prior to retirement. This increase will be the greater of 5% or the Retail Price Index (RPI). Benefits can currently be taken from age 55 but are reduced for early payment.

Members who joined SHAPS before 6 April 2006 and have also left employment may be able to take their benefits from age 50, providing that they take all benefits held with TPT at the same time – see retirement section.

If the member is leaving because of ill-health or is retiring, please see 'Retirement'.

- **A transfer** – it may be possible for the member to transfer their benefits from the Scheme to another registered pension arrangement. Members who wish to take this option should ask their new pension provider to contact TPT for a quotation.

The member's written authority is required in order to release information to a third party.

Members can transfer their benefits out at any time. TPT and its staff are not authorised by the Financial Services & Markets Act 2000 to provide financial advice. If a member is considering transferring their benefits, independent financial advice is recommended. If the transfer value is £30,000 or more, and is made up of defined benefits which will no longer be defined benefits following the transfer, independent advice from an appropriately qualified adviser is mandatory.

Details of local registered advisers can be found on [www.unbiased.co.uk](http://www.unbiased.co.uk).

- **Refund of contributions** – this option is only available to members with less than two years' membership across all TPT schemes (including any transferred in membership). Members can choose to receive a refund of the contributions\* that they have paid into the Scheme. If they take a refund no further benefits remain in the Scheme. There are two deductions from the refund:
  - tax will be deducted at a rate of 20% (50% on any refund amount in excess of £20,000); and
  - where applicable, an amount which will buy the member back into the additional State Pension (known as State Second Pension) if the member was contracted-out prior to 6 April 2016 (with the exception of the CARE 120ths benefit option).

**Please note:** Should the member have transferred benefits from a previous arrangement, it may not always be possible for them to receive a refund of contributions.

\* where contributions have been deducted via a salary sacrifice arrangement, no refund would be due to the member as the contributions are classed as having been paid by the employer.

# Retirement

## What to do when a member retires...

### Before Normal Pension Age (NPA)

NPA for Scheme benefits is 65 years.

Early retirement can be taken at any time from age 55. Members who joined the Scheme before 6 April 2006 can take their benefits from age 50 but they must leave your employment to do so and take all of the benefits they have accrued with TPT at the same time. This is called a 'Protected Retirement Age'.

Benefits built up prior to 1 April 2002 will be reduced if they are taken before age 60. Benefits built up from 1 April 2002 and benefits transferred in from another scheme will be payable from age 65, and will be reduced if taken prior to age 65.

If the member decides to retire early, please send a Withdrawal Form to TPT. We can accept the Withdrawal Form up to three months prior to the retirement date. This includes members who are taking benefits but remaining in employment. Information about their retirement options will be sent direct to the member.

When a pension is claimed prior to NPA the pension will be smaller because:

- the member will have been in the Scheme for a shorter period; and
- early retirement pensions are expected to be paid for longer.

**Please note:** Benefits cannot be paid without a completed Withdrawal Form. Any delay in sending the Withdrawal Form may result in a delay in the payment of the member's benefits

### At NPA

For a member approaching NPA please submit a Withdrawal Form three months prior to the retirement date via the eBusiness system.

TPT will then liaise directly with the member and provide details of the options available. The options that may be available are outlined in the booklet A Guide for Members – Defined Benefit.

Copies of the retirement options can also be forwarded to the employer where the member is retiring from active service. Please inform TPT when you send the Withdrawal Form in if you would like to receive a copy.

### After NPA

If still employed, members can continue contributing to the Scheme. Benefits earned to NPA will be increased to take account of the later payment and added to the benefits earned after NPA.

Death benefits will continue to be provided on the same basis as they were before NPA.

As soon as you know the date the member expects to retire, please notify TPT and send a completed Withdrawal Form.

## **Because of ill-health**

If it seems likely that a member may need to retire early because of ill-health, you should inform TPT. Guidance on eligibility for early pension benefits is available on request. TPT will send a questionnaire for you to complete and return. We will also send a form to the member, which they must complete, giving consent for TPT to contact their doctor or consultant for a medical report.

In order for the member to qualify they must be considered to be unable to work again in any capacity.

If the application is approved, the pension will be paid at a higher rate than if the member had voluntarily elected to retire early.

If the ill-health retirement application is approved, we will contact you to request a Withdrawal Form. The pension is payable from the day after the date of retirement shown on the Withdrawal Form.

Ill health pensions are reviewed periodically to check a member's continuing eligibility to receive the benefits.

If the ill health application is declined, the member may appeal this decision. A declined application does not mean that a member cannot apply again at a later date (for example if their condition deteriorates).

The alternative options would be a deferred benefit if employment is terminated, or voluntary early retirement if the member is over age 55 (50 if they have a 'Protected Pension Age').

## When a member dies

The information in this section applies to all members of the Scheme, active, deferred and pensioner. In practice it is often the case that notification of the death of a deferred or pensioner member will come direct from the member's relatives.

### What to do when a member dies

If you become aware of the death of an active, deferred or pensioner member please telephone the Pensions Administration Team at TPT.

Please provide as much information as possible so that benefits can be calculated. For active members, please send a completed Withdrawal Form with the original Death Certificate or a certified copy, as soon as this is available.

Any further information relating to the deceased member's next of kin or nominated beneficiaries, or any unusual circumstances, should be highlighted. This will assist TPT in dealing with the payment of the benefits sensitively and efficiently.

If you prefer to remain involved, you should notify TPT. Otherwise TPT will liaise directly with the deceased's family and/or nominated beneficiaries, asking for any necessary forms to be completed and requesting copies of relevant certificates that are required. This will include:

- spouse's/civil partner's birth certificate and marriage/civil partnership certificate
- child's birth certificate
- evidence of continued full time education, if applicable (in respect of any child under age 22)
- dependant's evidence of financial dependency, if applicable.

# Monthly contribution and data process

This section outlines the monthly task of submitting contribution data in respect of the Scheme members.

Every month, employers must submit contributions for each member using TPT's online system.

TPT must receive your contribution submission by the 10th of the month following the deduction of contributions from the members' salaries. This must be completed before sending a contribution payment.

The contribution payment must be received by TPT by 19th of the month.

You can log into the online contributions system here: [www.tpt.org.uk/login](http://www.tpt.org.uk/login)

We have a number of supporting documents available which are here: [www.tpt.org.uk/login/online-services-supporting-materials](http://www.tpt.org.uk/login/online-services-supporting-materials). They include

- contributions file template
- contributions file upload checklist
- contributions file guidance notes.

## Procedure

**Please note:** You are legally obliged to remit contributions deducted from members' pay on time. If you don't The Pensions Regulator may fine your organisation. TPT will not be responsible for any late payment penalties imposed on employers.

Submitting contribution data online using eBusiness ensures that the data is validated and any queries are resolved before the data is loaded to the membership records. This will avoid any potential delays arising when settling members' benefits and will improve the accuracy of data recorded.

## Pensionable earnings

Benefits are calculated and contributions are payable on the member's normal basic pay. Pensionable earnings are subject to an earnings cap which increases each year in line with inflation. This is currently £170,400 (2020/21). You should include monthly pensionable earnings details on the monthly data submission.

## Childcare vouchers

If these are offered to employees, it is your decision whether to treat the value as pensionable earnings. However as the aim of these vouchers are solely to reduce childcare costs, we recommend that payments made to members in the form of childcare vouchers should be treated as pensionable.

Contributions should be deducted from members' gross pay before calculating tax under the PAYE system.

### **Contributions immediately prior to leaving the Scheme**

Pension contributions should not be deducted from holiday pay, where this relates to outstanding holidays when a member leaves employment, or payment in lieu of notice.

Where a member leaves part way through the month, contributions should only be deducted for the portion of the month they are still employed and not for the whole month.

If contributions are deducted incorrectly you will be obliged to refund them to the member via your payroll system to ensure tax and National Insurance are deducted.

If you have any questions about this, or require any further information, please contact the Administration Team at TPT, the contact details are on page 23.

# Basic data changes

It is important that members notify us when their circumstances change, so that we may update our records. Accurate and up to date information will reduce delays when benefits become payable.

## Change of address

Any change of address should be provided by the employer via the HR Data File if you have signed up to BenPal. Alternatively members can update their own personal details through DB Online. If a member does not have internet access they can submit their changes in writing. To help us identify and verify the member record the member should also include the following details.

- Full Name;
- Date of Birth;
- National Insurance Number; and
- Membership Number.

## Change of nominee for death benefits

Members can provide changes to nominee details via **DB Online**, or they can download a Nomination Form from the **SHAPS website** or contact TPT to request one. The form should then be completed and returned to TPT as soon as possible.

## Change of name/status

Changes of name or status should be provided via eBusiness. Alternatively, members can notify the change via **DB Online** or can notify TPT in writing.

## Additional Voluntary Contributions (AVCs)

Members of the Scheme may pay AVCs to the DC section of SHAPS, TPT, or to an alternative pension provider of their choice, in order to increase their income in retirement. Full details of the options available from TPT, and further information about AVCs, will be provided by TPT on request.

If the member pays AVCs to an arrangement administered by TPT, the AVCs should be included in the monthly data submission and must be identified separately from the normal contributions. You should collect the AVCs through the payroll in the same way as normal contributions, before calculating tax under the PAYE system.

You, as the employer, are not required to make any extra payment.

**Please note:** If the member chooses to make payments to an alternative provider you are not required to deduct or remit these contributions through your payroll. The member must make their own arrangements direct with their chosen provider.

Members can receive full tax relief on contributions to as many different tax-registered pension arrangements as they choose, provided that the total paid in each year does not exceed their annual earnings or the 'Annual Allowance'.

Further information on the Annual Allowance is provided in the 'A Guide for Members' booklet.

As long as the total increase in benefits in any one year does not exceed the Annual Allowance, members will receive tax relief on up to 100% of their earnings. For example, if the member's normal contribution rate (to the Scheme) is 7%, they will have scope to pay up to a further 93% of their earnings as tax-free AVCs. If their contributions exceed 100% of earnings in any tax year, tax on the excess at the member's marginal rate, is payable through self-assessment.

Any member wishing to pay AVCs direct to TPT should complete an AVC Application Form. You must then sign the Employer's Declaration before sending the completed form to TPT so that our records can be updated. Wherever possible, AVCs should be expressed as a percentage of salary or as a one-off lump sum. If the member wishes to pay a one off lump sum, the amount must be paid via the employer payroll. We cannot accept a personal cheque from members.

# Employee cost calculator

## Calculation of the net cost to the employee

The Government encourages employees to join pension schemes by granting tax relief on their contributions. The net cost to the member is therefore less than the gross contribution.

To calculate the net cost to the employee, you can complete the following:

### A. Gross contribution

Contribution rate  % X £ Salary  p.a. = £ Gross contribution  p.a.

**Please note:** Member contribution rates are set by the employer. The rate entered here should be that agreed by your organisation for new members of the Scheme.

### B. Tax relief

Gross contribution (see A)

(£  Employee's highest tax rate = £  p.a.  
£ X 20%, 40% or 45%

**Please note:** Someone who is only just into either the 20%, 40% or 45% tax band will only get tax relief at 20%, 40% or 45% on part of their contributions. Members who do not pay income tax will not benefit from tax relief. Income tax rates may change in the future. Please contact your Payroll Team for up-to-date rates.

### C. Net cost

Amount to deduct from employee's pay is:

(£ <sup>A</sup>  ÷ 12 = £  per month

But net cost to employee is:

(£ <sup>A</sup>  - £ <sup>B</sup>  ) ÷ 12 = £ <sup>C</sup>  per month

### Example

#### A. Gross contribution

Contribution Rate 6% x £15,000 = £900 p.a.

#### B. Tax relief

Gross Contribution £900 x 20% = £180

#### C. Net cost

Amount to deduct from employee's pay is:

£900 ÷ 12 = £75 per month

But net cost to employee is:

(£900 - £180) ÷ 12 = £60 per month

# Miscellaneous

## Employer's obligations

The employer has a duty under the Trust Deed to advise TPT immediately should the employer go into liquidation, receivership or administration or become bankrupt. If any other event occurs relating to the employer which may be of material significance to the Trustee or their advisers, TPT must be notified. If you are unsure whether to notify us of a particular event you should check with the Scheme Secretary.

Employers and trustees must notify The Pensions Regulator of relevant events. Employer events include:

- a decision by the employer to take action resulting in a debt due to the scheme not being paid in full;
- cessation of the employer's business in the UK;
- 'wrongful trading' under the Insolvency Act 1986, or circumstances where there is no reasonable prospect of avoiding insolvent liquidation;
- breach by the employer of a covenant to a bank or other financial institution (except by agreement);
- relinquishing of control of the employer company by a controlling company.

Various activities by employers (or their associates or connected persons) which The Pensions Regulator perceives as aiming to avoid a pension debt can give rise to onerous obligations. These can include contribution notices or financial support directions to make good the debt. To help decide which transactions might fall foul of these requirements, employers can seek clearance from The Pensions Regulator. The Pensions Regulator has issued guidance on the circumstances when it would expect clearance to be sought which includes:

- granting of a fixed or floating charge which affects more than 25% of the assets of the employer or group; and
- a change in the control group structure of the employer.

The Pensions Regulator has also indicated that it expects to be told about such events, whether or not clearance is sought.

Further information can be found on The Pensions Regulator's website at [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

## Leaving a multi-employer pension scheme

The Scheme is a multi-employer defined benefit scheme. If an employer leaves, a debt may become due to the Scheme. An employer is deemed to have ceased to participate in the Scheme when it ceases to employ at least one person that is an active member of the Scheme. Events like transfers of engagements, mergers, incorporations or other organisational restructures can result in a debt becoming due to the Scheme. Please contact TPT at the earliest opportunity if your organisation is contemplating any changes to its structure or is considering withdrawing from the Scheme.

Regulations do provide employers a period of grace in which they can elect to remain in the Scheme (and not trigger a debt) even though they are not currently employing any active members.

In order to qualify, employers must complete a Period of Grace Form (which can be found on the **SHAPS website**) which states that the employer intends to employ at least one person who will join the scheme in the next 12 months. This notification must be returned to TPT within two months of the last member ceasing to actively participate.

The employer will then be treated as a participating employer for 12 months. If none of its employees join the scheme within 12 months then it will be treated as though it stopped participating in the Scheme when the last active member left, and a debt may become due. It may be possible for the employer to extend the period of grace by an additional period (up to 36 months in total) however the employer must provide evidence of efforts made to encourage employees to join the scheme.

### **Trustee's insurance**

Insurance is in place to protect the Trustee against inadvertent regulatory failures for which the Trustee is responsible. A premium has to be collected from every participating employer periodically and is in the region of £10. You will be advised when payment is due.

### **Benefit statements**

Benefit statements will be issued annually via DB Online to active members showing their accumulated benefits and projected amounts at retirement. Deferred members may request a benefit statement annually via DB online or contact TPT.

### **Annual funding statements**

Summary funding statements must be issued to all active, deferred and pensioner members of the Scheme every year. These statements contain information about the Scheme's funding position.

### **Scheme literature**

Copies of the latest documents can be printed directly from the **SHAPS website**.

Alternatively, should you require any additional copies, please contact us on **0113 234 5500** or email **clientrelations@tpt.org.uk**.

## Contact details

### The Scottish Housing Associations' Pension Scheme is administered by:

TPT Retirement Solutions  
Verity House  
6 Canal Wharf  
Leeds  
LS11 5BQ

Tel: **0113 234 5500**  
Email: **clientrelations@tpt.org.uk**  
Visit: **www.tpt.org.uk**

### Client Relations Team

Susan Wardlaw, Employer Committee Secretary  
Email: **susan.wardlaw@tpt.org.uk**  
Tel: **0131 378 7111**

Client Relations Team  
Email: **clientrelations@tpt.org.uk**  
Tel: **0113 394 2754**

### Head of Pensions Administration

Matthew Doggett  
Email: **matthew.doggett@tpt.org.uk**  
Tel: **0113 394 2509**

Matthew manages the overall scheme administration function at TPT and should be contacted with administration queries where a resolution cannot be provided by the Scottish Housing Associations' Pension Scheme Administration Team.

### Team Leader

Joanne Hirstwood  
Email: **joanne.hirstwood@tpt.org.uk**  
Tel: **0113 394 2747**

Joanne is the manager of the Scottish Housing Associations' Pension Scheme Administration Team. All administration queries should be directed to Joanne and her team in the first instance.

### Explore the Scheme's website.

Visit **www.tpt.org.uk** for employer and employee information including:

- Details of the benefits available.
- Online pension calculator.
- Forms and literature available to download.
- Administration guides for employers.
- Contact details.

Verity House, 6 Canal Wharf, Leeds LS11 5BQ **Tel:** 0113 234  
5500 **Email:** [enquiries@tpt.org.uk](mailto:enquiries@tpt.org.uk) **www.tpt.org.uk**