

## The Benefits:

- **Your employer will contribute towards your retirement** – your employer is offering you the chance to join SHPS and will contribute to the Scheme whilst you are a contributing member. The amount paid by your employer will be at least as much, and often more than the amount you will have to pay.
- **It will cost less than you think** – paying money into a pension plan reduces the amount of tax you pay. Additionally, you pay lower National Insurance contributions because the Scheme is contracted-out of the additional State Pension (known as State Second Pension).

### Example:

If your contribution rate is 6% and your earnings are £15,000 you will pay:

6% of your earnings	£900.00 a year
Less tax relief @ 20%	£180.00 a year
Less National Insurance saving	£165.12 a year
Actual cost to you	£554.88 a year or
(Figures for tax year 2008/09)	£46.24 a month

- **You can estimate the value of your pension before you retire** – the calculation of your benefits depends on which benefit structure you are a member of. Full details are given in the 'A Guide for Members' booklet.
- **You can opt for a pension commencement lump sum (PCLS) when you retire** – you can choose to receive a lump sum payment (which may be paid free of tax) and a smaller pension when you retire.

# shps

## Reasons to Join



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## Social Housing Pension Scheme



# Benefits of the Scheme

## What is SHPS?

The Social Housing Pension Scheme (SHPS) is the leading UK pension scheme for housing associations.

SHPS has been designed to provide security for you during retirement and for your dependants in the event of your death. The SHPS 'A Guide for Members' booklet provides further details.

## Reasons to join SHPS

- Your employer will contribute towards your retirement.
- It will cost less than you think.
- You can estimate the value of your pension before you retire.
- You can opt for a pension commencement lump sum (PCLS) when you retire.
- You will provide security for your family.
- You can plan when to retire.
- You are covered if you have to retire early.
- Your pension will grow.
- Your money will be in safe hands.
- It is flexible if you change jobs.



- **You will provide security for your family** – a pension will be paid to your survivor and up to four dependant children when you die; additionally a lump sum benefit is payable.
- **You can plan when to retire** – you can currently retire at any time between ages 50 and 75. It is also possible to start to receive your pension, or part of it, whilst you are still working. Please be aware that the earlier you take your pension, the smaller it will be (see the 'A Guide for Members' booklet for further information).

The lower age limit will increase to 55 from April 2010.

- **You are covered if you have to retire early** – should you have to retire early due to ill-health a pension can be paid immediately, subject to satisfactory medical evidence. Your pension will not be reduced for early payment if you are unable to work again.
- **Your pension will grow** – during retirement your pension is guaranteed to increase in line with the Retail Prices Index (RPI) up to a maximum of 5%.
- **Your money will be in safe hands** – SHPS is administered by The Pensions Trust which specialises in providing pensions to the charitable, social, educational, voluntary and not-for-profit sectors. A democratically elected pensions committee oversees the Scheme.

- **It is flexible if you change jobs** – if you leave your present employer you can choose to leave your pension where it is or transfer the value to another pension scheme. Doing this incurs no penalty and there is no time limit. Additionally, if you go and work for another employer who is a member of SHPS (700 housing associations already participate) then your membership will be treated as continuous if you rejoin within 30 days.



**Should you require further information about SHPS, please contact us on 0845 608 5252 or email us at [enquiries@thepensionstrust.org.uk](mailto:enquiries@thepensionstrust.org.uk)**