

SHPS Defined Contribution (DC) Section Cost Allocation Structure

The following cost allocation structure for SHPS DC has been ratified by the SHPS Pensions Committee in July 2009.

Member charges

A charge of 0.5% of the value of each member's fund will be deducted each year.

Employer charges

A cost of £36 per annum per member (active and deferred) will be allocated to each employer for their members in the DC section, subject to a minimum cost of £480 per annum per employer.

This will be recovered monthly by the Scheme through the monthly contribution collection process (and translates to £3 per member per month, subject to a minimum of £40 per employer).

A one-off set-up cost of £1,000 will be allocated to each employer that wishes to begin enrolling members into SHPS DC. This will be recovered by the Scheme through the monthly contribution collection process with the first month's contributions for that employer.

Group life assurance cover

Group life assurance costs (0.2% of member salary) will be deducted from the employer contribution each month.

7 August 2009