

Housing Bulletin – November 2018

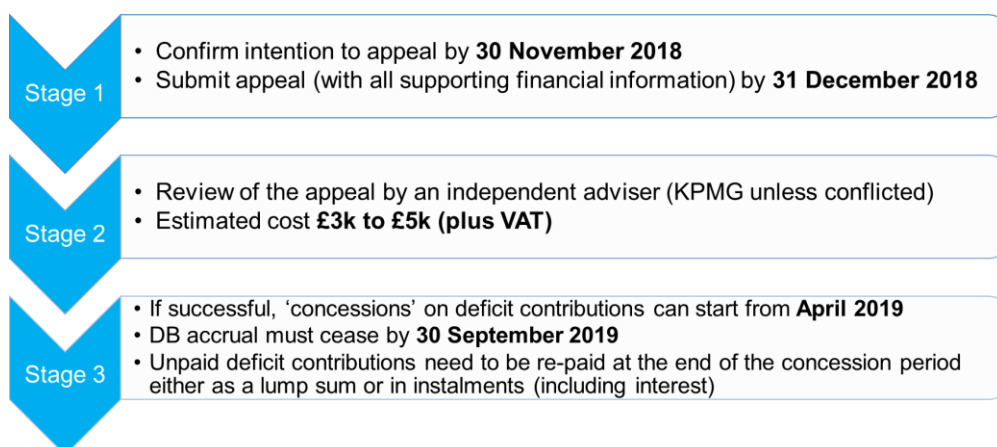
SHPS affordability appeal deadline looming

In [October's bulletin](#) we told you the results of the 2017 valuation for the Social Housing Pension Scheme ("SHPS"), which will mean increasing deficit contributions from April 2019 and higher future service contribution rates from July 2019.

As a result of changes to how the deficit is shared between employers, some housing associations have seen their deficit contributions increase by over 500% and many have been asking how they can appeal. If a SHPS employer wants to appeal against paying higher deficit contributions, SHPS have asked employers to submit their appeal by 31 December 2018, and to confirm they intend to appeal by **30 November 2018** – SHPS cannot guarantee concessions would commence from April 2019 if this deadline is missed.

The appeal process

A summary of the appeal process is provided below:



What else can you do?

If you think it is unlikely that your appeal would be successful, or you have a desire to keep defined benefit (DB) sections open to future accrual (ceasing DB accrual is a requirement of appealing), alternatives you can consider include: sharing additional costs with staff, liability management exercises (e.g. trivial commutation, enhanced transfer values, etc.) or bulk transferring out of SHPS altogether to gain more control over funding requirements.

How First Actuarial can help

First Actuarial provides independent, pensions advice to more SHPS employers than any other firm. We can help you consider if an affordability appeal is likely to be successful, and consider what other options are available to you to help control costs.

To discuss your pension strategy, or any other pension matters, please contact your usual First Actuarial consultant, or any one of our nationwide team of housing consultants.

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