

Scottish Housing Associations' Pension Scheme

# Member Guide and Frequently Asked Questions for the Defined Contribution Scheme

# Welcome to TPT Retirement Solutions

TPT Retirement Solutions (formerly The Pensions Trust) is one of the leading workplace pension providers in the UK. We have no shareholders and are run purely for the benefit of our members. By offering a range of trust-based products with a reliable and comprehensive service, we cater for a variety of customers and their requirements.

Your pension scheme sits within a Master Trust which comprises of 49 separate schemes, serving c.350,000 members. Working in this way, our combined size and strength with c.£12 billion of assets under management, enables us to achieve economies of scale, the benefits of which we pass on to our customers. Each scheme has its own separate section, ensuring its assets and liabilities are ring-fenced.

We have been included in The Pension Regulator's list of pension schemes that have Master Trust Assurance. We have also been awarded the Pensions Quality Mark 'Ready' status.

You can find out more information on TPT at [www.tpt.org.uk](http://www.tpt.org.uk)

The purpose of this guide is to provide general guidance on your pension scheme. This is not a complete or authoritative statement on the formal Rules of the Scheme and you can download the Scheme Rules by visiting [www.tpt.org.uk/about-us/trust-deed-rules](http://www.tpt.org.uk/about-us/trust-deed-rules)

This guide is for all members and prospective members, it replaces previous scheme booklets, announcements and leaflets.

September 2020

# Contents

---

About your pension	4
How your Defined Contribution Scheme works	4
About your pension: Other benefits	
• Life cover	7
• Ill-health	
• State pension	
What if your circumstances change?	8
Your investments	11
What does it cost me?	13
What happens at retirement?	14
Complaints	15
Frequently Asked Questions	16

---

# About your pension

The Scottish Housing Association Pension Scheme Defined Contribution (SHAPS DC) is a registered Occupational Defined Contribution Pension Scheme and is referred to as “the Scheme” throughout this booklet.

In a defined contribution scheme, the benefits you get when you retire are related to the contributions you and your employer have made to your pension scheme and the value of the pension fund you have built up over your life time.

More information about SHAPS DC can be found on our website [www.shapsdc.org.uk](http://www.shapsdc.org.uk)

SHAPS DC is part of The Pensions Trust Scheme and is governed by the Scheme Rules and held in Trust by Verity Trustees Limited.

## How your Defined Contribution Scheme works



### Your options at retirement – choose one option or a combination of options

- 1 | 25% tax free lump sum
- 2 | A guaranteed income for life (Annuity)
- 3 | Take lump sums from your pot as and when you want, leaving the balance invested
- 4 | Take it all as cash in one go (after the tax free lump sum, remainder is subject to income tax)

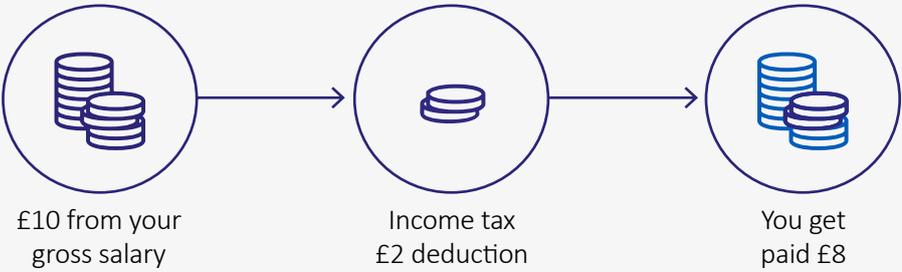
# Saving for the future

The main benefit of having a workplace pension is that not only do you contribute to your retirement fund – your **employer** does too.

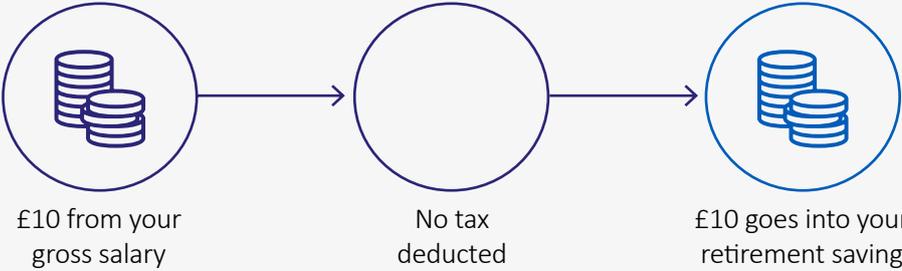
Your contributions may also receive tax relief. So for a basic rate tax-payer, every £10 you contribute only costs you £8 as £2 is tax relief.

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.

### Without a pension



### With a pension



Your employer may have set minimum requirements for contributions, but you can choose to save more than this, should you wish. However, these may not be lower than the minimum contributions set by the government, which are listed below and which apply whether or not you were auto-enrolled into the scheme

	Employer minimum contribution	Total (employer + employee) minimum contribution
Until 31 March 2019	2%	5%
1 April 2019 onwards	3%	8%

Annual Allowance is the amount by which the value of your pension benefits may usually increase in a single tax year without you having to pay a tax charge. (2020/21 – this is generally £40,000 but if you are drawing a pension, or if you are a higher earner, this amount will be reduced). This is reviewed every year and details can be found at [www.gov.uk/tax-on-your-private-pension/annual-allowance](https://www.gov.uk/tax-on-your-private-pension/annual-allowance)

Please inform your employer if you think your contributions will exceed the Annual Allowance or if you think you need more information on the reduced annual allowance.

### **Investing your money**

Your pension savings are invested in a fund of your choice until you retire. For more information on the choices you have around your investments, please see “Your investments” on page 11.

### **Options available at retirement**

You now have greater choice over how you access your pension savings because of changes to legislation that came into effect in April 2015.

Six months before your Target Retirement Age (TRA), we will contact you with a retirement pack, setting out the retirement options available to you.

You can take the benefits from your Scheme at any time after the age of 55; however we set your default TRA, which currently is 65, but you can change this at any time before your TRA.

You have several options available to you at retirement and can find out more on the options you have by visiting [www.tpt.org.uk/at-retirement](https://www.tpt.org.uk/at-retirement)

You can also use our pension calculator, which will provide you with an estimate of your income at retirement by visiting [www.tpt.org.uk/calculator-dc](https://www.tpt.org.uk/calculator-dc) or log in to your **Retirement Savings Account** account by visiting [www.tpt.org.uk/login](https://www.tpt.org.uk/login)

## About your pension: Other benefits

Planning for your future has other benefits. On top of a scheme pension fund you are also entitled to:

### Life cover

Life cover is not a standard benefit of the Scheme, but your employer may have chosen to provide cover for all of its members. The costs of life cover will be paid by your employer in addition to the employer's pension contribution.

Having life cover means that if you were to die while still working and saving for your pension your dependants would receive a sum of money.

To make sure the money from your life cover can go to the right people you must complete a Nomination Form. You can complete this in a number of ways:

- through your Retirement Savings Account account, by visiting [www.tpt.org.uk/login](http://www.tpt.org.uk/login)
- downloading a form from our resource library on the SHAPS DC website [www.shapsdc.org.uk](http://www.shapsdc.org.uk)
- or by contacting Pensions Administration Enquiries on [TPTenquiries@mercer.com](mailto:TPTenquiries@mercer.com) or **0345 072 6780**

### Ill-health

As a member you may also be eligible to have your pension paid early on health grounds. This means that if there were satisfactory medical evidence that you have become too ill to work, you may be able to use your pension fund to retire at any age.

In the case of serious ill health, all of your pension benefits in the arrangement can be commuted and paid as a one-off serious ill health lump sum. However, you would need to meet the criteria set by HM Revenue and Customs.

### State Pension

State benefits are payable from your State Pension age which will not necessarily be the same as your retirement age under the Scheme.

State benefits changed on 6 April 2016. To find out more information on your State pension visit [www.gov.uk/state-pension](http://www.gov.uk/state-pension)

# What if your circumstances change?

Your membership may last for a long time and everyone's circumstances change at some point. Saving for the future is flexible so, if your circumstances or plans for the future change, so can your savings strategy.

You may have an online account, through our **Retirement Savings Account** service where you can update personal information, check your fund value and much more. You can log in or activate your account, (if you haven't done so already) by visiting [www.tpt.org.uk/login](http://www.tpt.org.uk/login)

Each year you'll receive a Benefit Statement from the Scheme that will provide you with the current value of your pension fund.

## You take a break from working

If you take a break or are absent from work due to ill-health and are still getting paid by your employer, then you can continue to save.

You might take time away from work for reasons like maternity or paternity leave. You can stop and start contributions at any time and anything you have already saved remains invested.

For maternity leave, specific rules apply around the contributions you pay.

Please confirm any arrangement with your employer. To find out more visit [www.tpt.org.uk/ask-a-question](http://www.tpt.org.uk/ask-a-question)

## You change employers or decide to leave the scheme

If you leave your employer you cannot continue to contribute to the Scheme. You may also simply decide to leave the Scheme whilst in employment. There are several options available to you and these options depend on how long you have been a member of the Scheme.

There is no specific notice period required by the Trustee for a member to leave the Scheme. Your notice period will be agreed between you and your employer, however you should note that it may take up to one month for your employer to let us know that you have left the Scheme.

### You've been in the Scheme for more than 30 days

- You can leave your savings invested (become a deferred member) – this means your savings remain in the same place until you retire.
- When you have become a deferred member your funds will continue to be invested in the Scheme until you retire, or decide to transfer the value of the whole fund to another registered pension arrangement.

### You've been in the Scheme less than 30 days and were auto-enrolled by your employer

- If you opt out of the Scheme within 30 days after your employer has automatically enrolled you, then you are treated as not having ever joined. Any contributions already deducted from your pay will be returned to you by your employer subject to the relevant tax deductions. This does not include any employer contributions.
- You should also be aware that if you continue to be employed, your employer will be required to re-enrol you into the Scheme upon the third anniversary of your employer's staging date and every three years thereafter. If you are re-enrolled then you will have the option to opt out again.

### You've been in the Scheme less than 30 days but were not auto-enrolled by your employer

- You will receive a refund of your contributions – the refund is the value of your contributions, less tax. You will not receive a refund of the employer's contributions. If you joined the scheme through a salary sacrifice arrangement, the refund will be zero.

To find out more visit [www.tpt.org.uk/faqs](http://www.tpt.org.uk/faqs) and search for 'leaving the scheme' or speak to TPT on **0345 072 6780**.

### You have other pension arrangements – transfers in

If you have other retirement savings then you may be able to arrange for these savings to be transferred in so that you have all your pension savings in one place.

In certain circumstances, where you have opted to take a transfer in to the Scheme, you might not be able to obtain a refund of your contributions and your benefits will remain in the scheme and continue to be invested until you retire, unless you decide to transfer the whole fund to another registered pension arrangement.

To find out more visit [www.tpt.org.uk/faqs](http://www.tpt.org.uk/faqs) and search for 'transfer previous pension' or speak to TPT on **0345 072 6780**.

### Nominating your beneficiaries

If you die before taking your scheme benefits, the value of your savings will be paid to one or more of your beneficiaries (normally tax free).

You can nominate who you would like the Trustees to consider paying your savings to and there is no limit to the number of persons or organisations you can nominate. The Trustees are not bound to comply with your nomination but will use their reasonable endeavours to do so.

You can let us know who your beneficiaries are in a number of ways:

Through your Retirement Savings Account, by visiting [www.tpt.org.uk/login](http://www.tpt.org.uk/login)

Downloading a form from the resource library on our website [www.tpt.org.uk](http://www.tpt.org.uk)

Contacting us on [TPTenquiries@mercero.com](mailto:TPTenquiries@mercero.com) or **0345 072 6780**

### Do you have further questions?

If you have other questions that have not been covered here then visit [www.tpt.org.uk](http://www.tpt.org.uk) where you can find our frequently asked questions and our 'Pensions Explained' section.



## Your investments

We will invest your pension savings into the default Target Date Fund, or you may choose to opt for one of the self-select funds.

### Your default option: Target Date Funds

Target Date Funds (TDFs) are suitable for anyone who does not want to make their own investment decisions. You can be confident that your savings are being looked after by an experienced investment manager with the aim of providing you with the highest possible retirement benefit whilst managing risk.

With a TDF, your pension savings are invested for you in a mix of investment types depending on when you intend to retire. The Fund will gradually move from more 'adventurous' investments, through 'balanced' to more 'cautious' investments as it gets nearer to the planned retirement years.

Adventurous investments mean investments, like company shares, which are expected to make bigger returns over the longer-term than more cautious investments (and consequently their value can fall and rise significantly in the short-term). These adventurous investments can help you achieve the highest possible pension income at a time when there are many years left over in which they can recover any possible losses.

As you approach your planned retirement years, the mix of investments will become more balanced as they move towards a more cautious approach. The cautious investments will be cash and 'gilts' (UK government bonds). The investment returns will probably be less than shares over the long run but may help protect your savings as you get nearer to retirement.

Further details on target date funds visit [www.tpt.org.uk/investments/dc-fund-factsheets](http://www.tpt.org.uk/investments/dc-fund-factsheets)

### Self Select Funds

There are a number of other fund options available, and you can find more details by downloading our Fund Factsheets here:

[www.tpt.org.uk/investments/dc-fund-factsheets](http://www.tpt.org.uk/investments/dc-fund-factsheets)

#### Ethical TDF Post 99 – Target Date Funds

Ethical Target Date Funds invest in equity funds, which track the FTSE4Good Indices, and UK government bonds (Gilts).

#### Socially Responsible Investment (SRI) Fund

The SRI Fund provides a means for ethically aware members to invest in companies that meet recognised corporate responsibility standards.

#### Global Equity Fund

The Global Equity Fund aims to provide a diversified exposure to UK and overseas equity markets by maintaining a fixed 30% / 70% weighting between UK and overseas assets.

#### Diversified Growth Fund (DGF)

The DGF aims to achieve a positive total return in all market conditions over a rolling 3 year period.

#### Property Fund

The Property Fund invests in UK freehold and leasehold property.

#### Bond Fund

The Bond Fund invests in assets that typically reflect a pension annuity which is not index linked.

#### Index-Linked Gilts Fund

The Index-Linked Gilts Fund aims to track the performance of the FTSE A Index-Linked (Over 5 Year) Index of UK government bonds (known as Gilts).

## Cash Fund

The Cash Fund has the objective of providing capital stability and liquidity, but the capital value is not guaranteed. It is intended to provide a temporary home for funds over a short term.

Please note all of these funds can go down as well as up and past performance is not a guarantee of future performance.

Before making any investment selections, please carefully read the relevant Fund Fact Sheet, which you can download on our website  
[www.tpt.org.uk/investments/dc-fund-factsheets](http://www.tpt.org.uk/investments/dc-fund-factsheets)

You can change your Fund selection at any time by logging onto your **Retirement Savings Account** by visiting  
[www.tpt.org.uk/login](http://www.tpt.org.uk/login)

## What does it cost me?

### If you are invested in the default option of a Target Date Fund

An Annual Management Charge of **0.5%** will be deducted from your fund while it remains invested in the Scheme. Other fund expenses also apply up to a maximum of **0.03%** a year.

The total charges deducted from your fund may be up to **0.53%** each year. Transaction costs may also apply.

This means for every **£100** in your account up to **53p** from your savings pot will be payable to the scheme each year.

### If you decide to invest in one of the following self select funds

- Socially Responsible Investment Fund
- Global Equity Fund
- Bond Fund
- Index Linked Gilts Fund

The Annual Management Charge and other fund expenses are **0.45%** (**45p** in every **£100**).

#### If you are invested in:

- Ethical TDF the total charges, including the Annual Management Charge and other fund expenses, are up to **0.75%** (**75p** in every **£100**)
- Property Fund the total charges, including the Annual Management Charge and other fund expenses, are up to **1.02%** (**£1.02** in every **£100**).

- In addition there is a Property Expense Ratio charge of 0.4%, for the cost associated with the management and operation of the physical properties in the portfolio.
- Cash Fund the total charges, including the Annual Management Charge and other fund expenses, are up to **0.45%** (**45p** in every **£100**)
- Diversified Growth Fund the total charges, including the Annual Management Charge and other fund expenses, are up to **0.52%** (**52p** in every **£100**)

The fund value that you are quoted (for example on your benefit statement or by visiting your online **Retirement Savings Account** account) will take into account any fees charged. For more information visit [www.tpt.org.uk/investments/dc-fund-factsheets](http://www.tpt.org.uk/investments/dc-fund-factsheets)

Transaction charges may also be payable in addition to those detailed, for example broker commission, stamp duty or the cost of buying and selling investments. These charges vary depending on a variety of factors including, the amount of money being switched on any one day.

Further details of the charges deducted from your fund are available on request, please contact TPT on **0345 072 6780**.

# What happens at retirement?

## When can I retire?

The Target Retirement Age (TRA) of the Scheme is 65. When you join the Scheme, you may select your own TRA (aged 55 or over). Your TRA does not have to tie in with your contract of employment and you can take benefits at any age from 55 if you want to.

Please note that if you take benefits from your retirement fund but continue to remain employed, you will need to be assessed against the auto-enrolment criteria at your employer's re-enrolment date. And, if assessed as an eligible worker you must be re-enrolled into the Scheme. You can then choose to opt out if you so wish, after you have been re-enrolled.

## What are my options?

From 6 April 2015, members aged 55 and over have greater choice over how they access their pension savings. The options available are;

1. You could exchange your whole pension fund for a single lump sum – any amount over the tax free cash allowance (25%) will be subject to income tax at the marginal rate.
2. You might prefer to purchase an annuity through TPT's selected annuity provider, or using your own Independent Financial Adviser. If you wanted to, you could use some of your pension fund to take a tax free cash sum before buying an annuity (up to 25% of the fund value).
3. Or, you could utilise income drawdown through TPT's selected provider, or using your own Independent Financial Adviser. Our members can access income drawdown on an advised basis. TPT was able to negotiate favourable terms for its members for this service.
4. You could consider other flexible retirement options, such as a series of lump sum payments. Each lump sum usually being 25% tax free and the remainder taxable at marginal rates. You will need to access these

options through your own independent financial adviser.

If you're over State Pension age, you will also receive a State Pension. You can find out about your State Pension by visiting [www.gov.uk/state-pension](http://www.gov.uk/state-pension). Remember, if you have saved for your future in other pension schemes you may also get an income from these.

### Get free help and guidance

The government's **Money and Pensions Service** provides free and impartial money advice, tools and calculators for financial planning. The guidance it can provide online or over the phone includes information about your pension options, how to make the best use of your pension savings, the tax implications of different options and tips on getting the best deal.

Call **0800 011 3797** or visit [www.moneyandpensionservice.org.uk](http://www.moneyandpensionservice.org.uk)

For more information please visit our 'At Retirement' page on our website at [www.tpt.org.uk/at-retirement](http://www.tpt.org.uk/at-retirement)

### BEWARE OF PENSION SCAMS!

If you are taking a cash lump sum from your pension to invest somewhere else, or plan to take income drawdown, be aware that scammers may operate in these markets and you could risk losing money.

You can find out more about how to identify scams from the Pension Regulator's website [www.thepensionsregulator.gov.uk/pension-scams](http://www.thepensionsregulator.gov.uk/pension-scams)

# Complaints

If you have a problem or complaint in connection with your pension, we recommend that you initially discuss this with your employer or usual contact at TPT. If they are unable to resolve the matter you may find it helpful to speak to the Pensions 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 this formal two stage complaints procedure:

## Stage 1

You may request, in writing, a formal resolution from the Head of Trustee Services. Please ensure that any correspondence is headed 'Formal Complaint'. A decision should be provided within two months of your formal request. You can get help with your complaint from the Money and Pensions Service.

## Stage 2

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

If you are not satisfied with the Trustee's decision, you have the right to refer your dispute to The Money and Pensions Service.

## The Money and Pensions Service

The Money and Pensions Service provides free and impartial money advice, tools and calculators for financial planning. The service also provides support with settling disputes or complaints you have failed to resolve.

[www.moneyandpensionservice.org.uk](http://www.moneyandpensionservice.org.uk) or you can phone **0800 011 3797**

# Frequently asked questions

**This booklet answers some of the questions that you might have about saving for a pension and will be updated from time to time.**

## Why have I been enrolled into the Scheme?

Legislation that means eligible workers will be automatically enrolled into a qualifying workplace pension scheme. These schemes will have to provide a minimum level of benefits. If you meet the eligibility criteria, you will be automatically enrolled into the Scheme by your employer and will receive the relevant notifications and information about the Scheme.

An eligible worker is anyone who:

- is aged between 22 and State Pension age
- earns more than £10,000 a year (2020/21 tax year)
- works in the UK.

Your employer may have adopted contractual enrolment. This means that even if you do not meet the criteria of an eligible worker as outlined above, your employer may have elected to automatically enrol all of its employees. If this is the case it should have been outlined by your employer in your contract of employment.

## What are the conditions for being enrolled into the Scheme?

You must agree to be bound by the rules of the Scheme, and you must pay the minimum contributions required.

The scheme's rules further require that these contributions, and those paid by your employer, must not be less than the minimum contributions required under auto-enrolment legislation (whether or not you were auto-enrolled into the scheme).

If you opt out of the Scheme, and remain working for your employer, you may re-join at any time but this may be subject to restrictions being placed on any benefits due in the event of your death.

## Am I too young to save for a pension?

It's never too soon to start saving for your future. The sooner you start, the better chance you have of saving more and your savings growing to provide you with a higher income in retirement.

## How much does it cost?

Contributions must be paid in line with the minimum requirements set by your employer or the regulations. You can decide to save more than these minimum amounts. Your contributions will be an agreed percentage of your salary. Premiums may be payable in respect of life assurance benefits.

### How can I keep track of how much my savings are worth?

You may have been given access to **Retirement Savings Account**, it's an online account where you can manage your pension funds and log in to view details of your pension fund.

If you do not have access to **Retirement Savings Account** which you can log in by visiting

[www.tpt.org.uk/login](http://www.tpt.org.uk/login) you can request a fund value update at any time by contacting TPT on **0345 072 6780**.

As well as this you will receive an annual benefit statement which will show you details of how your savings have grown over the year and the value of your savings. This may be emailed to you in the future so please ensure that we have an up to date email address to contact you on.

### Can I change my investment fund choice?

Yes – you can do this through **Retirement Savings Account**, if you have online access, or by completing a Switch Instruction Form, available to download from our website and send to the address at the bottom of the form.

### Can I transfer previous pension benefits into the Scheme?

If you have benefits in a different pension arrangement you may be able to arrange for these to be transferred so that you have all your pension savings in one place. To do this, we will need some details from you and your previous pension provider.

You will need to contact your previous pension provider and request the transfer value of your benefits. You will need to ask your provider to give you the following:

- The name of your scheme, plan or arrangement
- The provider's Pension Scheme Tax Reference Number
- The exact period to which the transfer value relates
- Any forms that they will need you and TPT to complete if you want the transfer to go ahead.

Or you may request this information by completing the Transfer In Form to request transfer details form, the form can be downloaded from our website [www.tpt.org.uk](http://www.tpt.org.uk) and then you can send it to your previous pension provider.

Once you have received transfer details from your previous pension provider, send the transfer details, any forms that your provider requires to be completed and the completed Transfer In – Form to accompany transfer details form to us immediately. If your previous pension provider has not answered all the questions above, we may have to liaise directly with your provider to obtain the missing information, which may delay the transfer.

Once we have processed this information we will confirm what you need to do next if you would like the transfer to go ahead.

If your previous provider is an overseas arrangement there are some different requirements – if this is the case please contact TPT before you do anything.

## Can I pay Additional Voluntary Contributions (AVCs)?

As a member of a Defined Contribution Scheme, you have the right to pay additional contributions. You can do this either through **Retirement Savings Account**, contacting TPT on **0345 072 6780** or by completing an Application to Pay Additional Voluntary Contributions form, this form can also be downloaded from the resource library on our website [www.tpt.org.uk](http://www.tpt.org.uk)

Once you have completed your application, your increased contribution will be deducted through your employer's payroll.

## What happens when I die?

If you were to die before your pension had started to be paid, the value of your fund would be returned to your nominees or dependants.

Other benefits may also be available through the Scheme, if you die whilst you are an actively contributing member. Please refer to the scheme specific information that was emailed to you on joining the Scheme which can be found on your scheme specific website by visiting [www.tpt.org.uk](http://www.tpt.org.uk) and following the 'find your scheme' link.

If you die after you have retired from the Scheme, your dependants may be entitled to receive benefits but this will depend on the type of annuity you purchased with an insurance company.

To ensure the money goes to the right people you should update your nomination details on **Retirement Savings Account**, your online account. Or you can complete the downloadable Nomination Form from our website. You can also phone the Administration Team at TPT on **0345 072 6780** and request a paper copy of the nomination form for you to complete and return to us.

## Taking care of your pension

Your pension is set up under a trust which is administered in accordance with a separate Trust Deed and run under a set of Rules and is managed and administered by TPT. It is governed by a Trustee Company called 'Verity Trustees Limited'. Directors are non-executive, three nominated by members, three nominated by employers and up to three co-opted by the member nominated and employer nominated Directors.

TPT has been administering pension schemes since 1946. As a not-for-profit organisation, TPT is run for the benefit of the employers who choose its pension schemes and the members who belong to these schemes TPT is not an insurance company.

TPT is not registered under the Financial Services and Markets Act 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 remains the individual's for which TPT cannot be held responsible.

## Tax allowances

The Pensions Trust is a registered pension scheme for the purposes of Part 4 of the Finance Act 2004. The Pension Scheme Tax Reference is 00281218RV.

**Annual Allowance** – is the maximum amount of pension saving you can have each year that benefits from tax relief. The Annual Allowance from 6 April 2015 is £40,000 a year to all your pension arrangements.

**Lifetime Allowance** – limits the total that you can save for your future over your lifetime without tax implications. If the total value of all your pension arrangements exceeds £1,073,100 (2020/21 tax year), you will be taxed on any amount above this. The Lifetime Allowance will then be linked to increases in the Consumer Prices Index for following tax years.

**Money Purchase Annual Allowance (MPAA)** – if you have already taken certain types of retirement benefit from your DC Pension Pot you will be subject to the MPAA of £4,000 and you will be notified accordingly. You will still have an annual allowance of £40,000 in total but no more than £4,000 can be paid into your defined contribution pension arrangements without there being tax implications. Please consider taking independent financial or tax advice if this applies to you.

If the value of your benefits from all tax-registered pension schemes exceeds the Lifetime Allowance, tax charges will apply to the excess. It should be noted that both the Lifetime and Annual Allowances are only likely to affect those with very high earnings and/or significant pension benefits held elsewhere.

Please note that tax allowances may change from time to time

## How do I benefit from tax relief?

TPT requires your employer's payroll team to take contributions from your gross pay. Gross pay means the amount your employer is paying you before tax has been deducted. You will be able to see this on your pay slip.

As a result, your pay is lower for tax purposes, therefore you will pay less tax. In this way you are receiving tax relief on your contributions. This is sometimes known as a Net Pay arrangement.

Employer contributions are paid in addition to your contributions and you will not be required to pay tax or National Insurance on your employer's contribution.

For the majority of members this is a straightforward way to benefit from tax relief. However it does mean that some members benefit more from tax relief than others.

For those members who do not pay income tax (have yearly earnings of £12,500 or less for the 2020/21 tax year), will not get any benefit from tax relief under this arrangement.

There is no limit on the amount you can pay into your pension scheme. However, tax relief is only available on amounts under £3,600 (gross contributions) or 100% of your UK earnings.

## Termination

Your pension scheme is intended to provide long-term security for the benefit of its past and present members. If your employer decides to withdraw from the Scheme you will normally be entitled to benefits calculated as if you had left service subject to the necessary contributions having been paid.

## Assignment

You cannot, except where permitted by law on divorce, sign away your pension rights, even temporarily, for example as security for a loan. Similarly you are not allowed to assign your pension to another person, even your wife or child.

## Communications you will receive as a member

As a member you will receive a summarised version of TPT's Annual Report and Accounts by email each year, but are entitled to the full version on request. A copy can be viewed on TPT's website.

TPT issues annual benefit statements to members. Further information, planning tools and a feedback facility is also available on this website; [www.tpt.org.uk](http://www.tpt.org.uk)

## 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.org.uk/privacypolicy](http://www.tpt.org.uk/privacypolicy).

If you would like a copy of the privacy notice to be sent to you, please email [privacy@tpt.org.uk](mailto:privacy@tpt.org.uk) or call **0113 394 2779**.

## Useful contacts

### Financial Conduct Authority

The Financial Conduct Authority regulates the financial services industry in the UK and provides information for consumers about all aspects of financial planning, including how to find an adviser.

[www.fca.org.uk](http://www.fca.org.uk)

### Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute over the way in which a pension arrangement is run. Normally the Ombudsman will require you to have been through the Plan's procedure for resolving disputes and will ask The Money and Pensions Service to consider the complaint first.

[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk) 0207 630 2200

### The Pensions Regulator

The Pensions Regulator regulates the running of occupational pension arrangements and can intervene if trustees, employers or professional advisers have failed in their duties.

[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk) 0345 600 1011

### Pension Tracing Service

If you have lost track of a pension you can trace it by contacting the Pension Tracing Service online.

[www.pension-tracing-service.com](http://www.pension-tracing-service.com)

### The Money and Pensions Service

The Money and Pensions Service is an independent organisation that provides free advice and guidance on all types of pension queries as well as helping settle disputes or complaints you have failed to resolve.

[www.moneyandpensionservice.org.uk](http://www.moneyandpensionservice.org.uk) 0800 011 3797



TPT Administration, TPT Post Handing Centre, St James's Tower, Manchester M1 4DZ  
**Tel:** 0345 072 6780 **Email:** [TPTenquiries@mercerc.com](mailto:TPTenquiries@mercerc.com) **[www.shapsdc.org.uk](http://www.shapsdc.org.uk)**  
**[www.tpt.org.uk](http://www.tpt.org.uk)**

SHAPS.DCMG.1120

**t|p|t**  
Retirement Solutions