

Date Issued	14 February 2002
Last Review Date	August 2020
Department	Finance
Title	Pension Policy
Objective	To describe our pension provisions for employees
Responsible	Director of Finance
Next Review Date	Year ending 31 March 2026

1.0 INTRODUCTION

1.1 We participate in the Scottish Housing Associations Pension Scheme (SHAPS) and adhere to the scheme's "Employer Code of Practice" (see **Appendix 1**). We follow the scheme's rules and pension legislation in managing our responsibilities to both the scheme and members.

1.2 We offer three pension options from the SHAPS Pension Scheme to staff and these are:

- A final salary 60ths option (default option),
- A CARE (career average) 80ths option, and
- A defined contribution option

2.0 Eligibility for Membership (Prior to Auto-Enrolment)

2.1 Prior to the introduction of "Auto-Enrolment" we will encourage all eligible employees to join the Scheme. All our employees are eligible to join either pension option offered regardless of the hours they work or their job grade provided they meet the following requirements:

- Their employment contract with the Association is either permanent contract or for a minimum period of three calendar months
- Their age is between the lower and upper age limits for entry set by the scheme and
- They meet the scheme's medical requirements

2.2 Employees are responsible for applying to join one of the scheme options and we will process all such applications to join the scheme quickly.

3.0 Membership after Auto-Enrolment

- 3.1 Following the introduction of the legislation on Auto-Enrolment, we will **automatically** enrol **all** eligible employees into the **SHAPS Final Salary 60ths Option** when required to do so. Should an employee not wish to join the Scheme or wish to participate in the CARE 80ths option, or the Defined Contribution option it is **their** responsibility to instruct us to remove them from the Scheme or transfer them to the CARE 80ths option/Defined Contribution option.
- 3.2 Eligibility under auto-enrolment will be as defined by legislation.
- 3.3 Any employee who instructs us to remove them from the Scheme will be automatically re-enrolled into the SHAPS Final Salary 60ths Option on the third anniversary of their withdrawal from the Scheme. Should the employee still not wish to join the scheme at this time, or wish to participate in the CARE 80ths option or Defined Contribution option, it is again **their** responsibility to instruct us to remove them from the Scheme or transfer them to the CARE 80ths option/Defined Contribution option.

4.0 Employer's Contributions

- 4.1 We will contribute to the Scheme for each employee who is a member of the scheme at the rates we agreed for each option. We will regularly review whether we can afford our contributions and will consult with employees on any changes we may need to make.
- 4.2 We do not make contributions towards stakeholder or personal pensions for any employees.
- 4.3 Where automatic enrolment is not required and it is the employee's decision when to apply for membership to the pension scheme, we will only make contributions from the point of membership. We will not backdate contributions.
- 4.4 If an employee is on long-term sick-leave, which results in their salary payments being reduced, they have three pension payment options available to them:
- a) They can continue to pay their full contributions and we will continue to pay our contributions at the full rate.
 - b) They can put their pension contributions on hold until they return to their normal pay, when both the employee and the Association will make up the missed contributions.
 - c) They can stop their contributions completely and treat the period of sick leave as a break in service. We would also stop the Association's normal contributions during this period.

If an employee chooses either option (b) or (c), we are required to continue to make a small contribution to the pension scheme for death in service benefits.

- 4.5 Any period of maternity leave an employee has will count towards pensionable service. The benefits that build up during this time are based on the salary they were getting before they went on maternity leave. Whilst employees are on maternity leave, their contributions will be based on the amount of pay they actually receive. However, our contributions will continue on the basis as agreed by the administrators of the scheme.

5.0 Transfer Between Options

- 5.1 Employees may change from one option to another on 1 April each year providing they submit an application to do so by 31 January of that year.
- 5.2 Any member who opts to move away from the existing Final Salary 60ths section (e.g. to CARE 80ths or Defined Contribution) would lose the link to Final Salary for their past benefits.

6.0 Stakeholder Pensions

- 6.1 As all our employees are automatically enrolled onto/invited to join our occupational pension scheme ("SHAPS") within three months of starting employment with the Association, we do not offer a stakeholder pension scheme.

7.0 Monitoring and Review

- 7.1 The Director of Finance is responsible for ensuring that this policy and the procedures which support it are followed.
- 7.2 The Director of Finance will ensure that the Management Committee reviews the policy at least every five years.