Housing briefing, November 2021
Social Housing Annual Conference

First Actuarial will be attending this year's Social Housing Annual Conference in London on 25th November 2021. We're looking forward to discussing the sector's many pensions hot topics with housing professionals.

Social Housing Pension Scheme (SHPS)

Many housing associations are now working through the impact of the **2020 SHPS valuation**. Deficit payments have increased for many, and are payable for longer. Employers wishing to continue supporting Defined Benefit pensions have strategies to review, a consultation to carry out and decisions to be made, due to the significant increase in the cost of future benefits.

20 employers have now acted to **bulk transfer** their share of assets and liabilities away from SHPS to an alternative pension scheme – and they won't be the last. This is not to be taken lightly; a feasibility study should be one of the first steps.

Local Government Pension Scheme (LGPS)

We're only around four months away from the **2022 LGPS valuation**, with contribution changes taking effect from April 2023. Regional funds will soon be consulting on changes to their funding policies, which can have a dramatic impact on employer costs. As always, we urge housing associations to feed back into consultations so their views can be heard.

Exit planning via **council subsumption** and **deferred debt arrangements** is fast becoming a reality for housing associations managing those hard-to-handle LGPS debt liabilities. It's important that you approach negotiating these agreements with a thorough understanding of what can be achieved.

Defined Contribution (DC) schemes

With DC schemes becoming the norm rather than just the auto-enrolment solution, the onus is on employers to ensure there are robust governance arrangements in place to provide **value for money**.

National Insurance contributions (NICs)

Increases to NICs from April 2022 for employers and staff bring a further opportunity to introduce or improve take-up of **salary sacrifice** to make pension saving more cost-efficient.

Income tax and allowances

Pension tax is complicated and it's important for employers to recognise and **support higher earners** so they understand their annual and lifetime allowance position. Tax concerns extend to lower paid staff, who may not currently benefit from a 20% tax subsidy from their relief-at-source scheme.

Financial wellbeing

Whether it's **pension consultation** support or general **pension education** sessions, **clear and engaging communications** are critical.

First Actuarial will be represented at the conference by specialists: **Martin, Dale and Neal**.

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