Housing briefing, January 2026
2026 has lots in store for housing sector pensions!

2026 promises to be another busy year for the sector's pension schemes. As always, while there are costs and risks to monitor and manage, there are opportunities too. Our pensions calendar brings together the main milestones for 2026, followed by some commentary on the sector's main schemes – the Local Government Pension Scheme (LGPS) and the Social Housing Pension Scheme (SHPS).

January

Pension projects
Plan for the pension year ahead

Financial forecast return
Planning for 2026

Tax / Annual Allowance
Submit self-assessment tax return

February

LGPS
Engage with regional funds on employer contributions from 1 April

Financial wellbeing
Engage with staff on pension choices and salary sacrifice

March

SHPS / TPT
Verity Trustees v Wood ruling expected (Q1) (timing uncertain)

NHF Finance Conf (25-26 March)
Visit us at stand 621 in Liverpool

LGPS Day
First Actuarial Webinar

April

SHPS
Deficit payments increase by 2%

LGPS
New employer rates + member rate bands change

May

LGPS / SHPS / Own DB scheme
FRS 102 results published (potential for net pension assets)

Pension legislation
Pension Schemes Bill to be enacted in Q2 2026 (including DC changes and DB surplus rules)

June

Financial forecast return
Expected submission deadline

SHPS
Updated cessation debt estimates expected from TPT

July

CDC
Check for any developments on authorisation for multi-employer CDC schemes

Tax / Annual Allowance
Deadline for using 'Scheme Pays'

August

LGPS / SHPS / TPT
Latest annual benefit statements

SHPS / TPT / Own scheme
Review level of life cover

September

SHPS / Growth Plan
30 Sept 2026 valuation date

SHPS Day
First Actuarial Webinar

Pension Awareness Week
15th to 19th

October

SHPS / TPT
Life cover renewal on 1 October

Sector Risk Profile
Latest version due for release

Tax / Annual Allowance
Statements due by 6 October

November

Budget from Government
Monitor for pension / tax changes

Governance
Update the board on costs, risks, actions and opportunities

December

SHPS
Annual financial assessments

LGPS
Review employer discretions

CDC
Stay up to date on developments

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Defined Benefit pension schemes

Although a few Defined Benefit (DB) schemes remain open to new joiners, most within the housing sector are now closed to new entrants or to future accrual entirely. This is somewhat ironic, given that the cost of new DB build-up is currently lower – and funding levels higher – than it has been for many years.

LGPS

Many regional funds have now shared their 2025 valuation results with employers, along with details of the contribution rates payable from April 2026. Overall, the picture is positive.

Higher interest rates and strong investment returns mean that most funds are expected to show improved funding levels, with many in surplus.

However, this does not automatically translate into lower employer contributions.

In practice, we are seeing the following themes:

Funding strategy and prudence: Several funds are applying additional prudence to their funding strategies, weakening the improvements that might otherwise have flowed through to employer outcomes.

Cessation and exit policies: Policies on cessation and exit credits vary widely between funds – from those offering favourable treatment to exiting employers, to others focused on protecting remaining employers. Understanding each fund's approach is critical when considering any future plans to exit.

Investment strategy developments: Some funds are engaging employers on alternative investment strategies aimed at reducing volatility and limiting future shocks. These may appear attractive, but they are complex and require careful assessment. Reducing volatility is beneficial in principle – but compromises may be needed.

The next few weeks are a critical period.

The consultation stage for revised Funding Strategy Statements is now moving into implementation.

Collaborative, constructive engagement between employers and regional funds is essential to securing outcomes that balance prudence, sustainability and affordability.

SHPS

The next actuarial valuation of SHPS has an effective date of 30 September 2026, although it may feel as though the 2023 valuation process only finished a short time ago.

The current deficit payment plan runs to March 2028. A key part of the 2026 valuation process will be to review how this deficit payment plan has progressed and whether a new plan is needed.

SHPS operates a funding and investment strategy centred on risk reduction, which in theory should limit large movements in contributions or deficits at subsequent valuations.

However, the landscape is currently overshadowed by the Verity Trustees v Wood court case heard in early 2025. We're still waiting for the judgment, the implications of which could be material:

- Additional liabilities may arise depending on the outcome.
- If so, these could fall within the scope of the 2026 valuation and influence employer contributions from April 2028.
- Extra liabilities may also need to be included in accounts for the year ending 31 March 2026.
- The judgment could also trigger further actions – including potential appeals or discussions about how any new liabilities should be allocated and funded.

Here are some recommended actions for SHPS employers:

- Keep boards **informed** of both the valuation timetable and the evolving legal position.
- Make sure board members are equipped to **engage effectively** with SHPS developments — consider targeted pension training where needed.
- Begin preparatory discussions internally so you are ready to **respond** when the judgement and valuation materials emerge.

Get in touch with our experts

With over 130 clients, First Actuarial provides independent advice to more housing associations than any other firm.

To discuss the contents of this briefing, or any area of pensions, contact any of our nationwide social housing team.

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