

SHPS and SHAPS
Defined Benefit Accounting

Online DB Accounting Tool User Guide

May 2021

Key documents overview

This document aims to assist employers that have a defined benefit obligation in the Social Housing Pension Scheme (SHPS) or the Scottish Housing Associations' Pension Scheme (SHAPS) in operating the online DB accounting tool (the tool). It contains a description of each of the 'Tool inputs' that employers can override, as well as example annotated input fields to help explain the various assumptions and figures that can be varied in the tool.

The guide is supported by a range of other documents which are summarised below, and can be found on our website or within the 'Supporting Information' section of the tool itself. Please refer to the 'Corporate Accounting Guide' document for help understanding the disclosures produced by the tool.

Supporting documents

Document	Description
	Background to corporate accounting, including example annotated disclosures.
Corporate Accounting Guide	You should read the example annotated disclosure in this document in conjunction with a disclosure you have saved using the online tool. Please refer to the 'User Guide' document for help with the online tool itself.
Corporate Activity – When to Contact TPT IMPORTANT	This document explains the types of corporate activity that would require an employer to contact TPT to ensure that the DB accounting disclosure tool continues to produce suitable disclosures. The activity ranges from a material change in ongoing DB accrual type (for example a large number of members moving from final salary to DC or CARE) to corporate mergers and demergers.

Document	Description
ISAE Assurance Report	Independent assurance report designed to give employers and auditors comfort regarding the information provided.
Scheme Disclosure Wording	<p>Information relating to the scheme as a whole for inclusion in corporate accounts (distinct from the employer-level information provided in the DB accounting disclosure tool).</p> <p>The wording is updated at least every three years, following the completion of the latest actuarial valuation.</p>
DB Assumptions Reports	These reports explain how the default accounting assumptions have been derived for each period from 31 March to 28/29 February the following year.
Asset Report	A description of the assets held in the scheme and how the assets are allocated between participating employers in the scheme.

1. Summary

- For financial years ending on or after 31 March 2019, the way in which an employer's defined benefit pension obligation in SHPS or SHAPS is stated in its company accounts changed.
- Prior to 31 March 2019 there was insufficient information available for an employer in SHPS or SHAPS to account for its obligations on a defined benefit basis (i.e. stating assets and obligations). As a result, and as required by FRS 102, employers accounted for the obligation by stating the present value of agreed future deficit repayment contributions.
- For financial years ending on or after 31 March 2019, sufficient information is available for an employer in SHPS or SHAPS to account for its obligations on a defined benefit basis.
- This guide gives information on TPT's online DB accounting tool, as well as example annotated input fields to help explain the various assumptions and figures that can be varied on the tool.

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2. Purpose of this guide

This guide is designed for employers participating in SHPS or SHAPS who are using the online DB accounting tool to provide disclosures for their accounts.

The remaining sections of this guide can be summarised as follows:

- Section 3 describes the account verification and login process when first accessing the tool
- Section 4 shows the home page of the tool that you will see after logging in for the first time
- Section 5 describes the various inputs to the tool that employers are able to override
- Section 6 shows the results page of the tool. For information on the results themselves please see the Corporate Accounting Guide
- Section 7 shows the home page of the tool again, this time after a report has been saved

3. Account verification and login process

The tool can be accessed through the Employer Portal at the following address:

<https://employerportal.tpt.org.uk/>

A guide to activate your employer portal account can be found at the following link:

<https://www.tpt.org.uk/docs/default-source/login/employer-portal/activation-guide.pdf>

If you have received a username and temporary password for the Employer Portal, you should be able to follow the instructions and activate your account. If you have not been issued any login credentials please get in touch and we can set you up with an account.

Once you have logged into the Employer Portal for the first time, you will be taken to the terms and conditions page.

Once you have read and agreed to the terms and conditions, click the “I agree to the Terms and Conditions” button at the bottom of the page and click ‘Continue’:

Please note that you will not be able to use the Employer Portal, and therefore the online DB accounting tool, until you have agreed to the terms and conditions. After you have clicked ‘Continue’, you will be taken to the home page of the tool, called ‘Saved reports’.

3.1 Terms and condition changes

If the terms and conditions for the Employer Portal change in future, you will be asked to accept these again before you are able to access the site.

4. Saved reports (home page) – First login

Employer groups only: *If you are part of a group of employers with access to the accounting tool, you will first be asked to select which employer you wish to work with from a drop down box. You can switch between employers at any time by selecting the 'Change employer' button at the top of the page.*

When you log in to the tool, the first page shown will be the 'Saved reports' page. If it is the first time your organisation has used the tool, there will be no reports shown, as below:

DB Accounting Disclosures

1. Saved Reports 2. Inputs 3. Results & Disclosures

Employer Name- Employer Number

This section acts as a store for all the documents you have created. If this is the first time you have used the tool, there will be no documents listed below.

Once you have created a 'New Report' you will be returned to this screen. You can delete any documents that you don't want to keep.

If you also have pension obligations in The Growth Plan, please access the separate online modeller via the following link: [FRS102 online tool](#).

[Supporting Information](#)

You currently have no saved reports.

[Delete](#) [New Report](#)

The 'Supporting information' button takes you to a page containing all of the key documents described at the beginning of this guide.

It is important that you review the 'Corporate Activity – When to contact TPT' document before preparing your disclosures, as you may be required to contact TPT to ensure that the DB accounting disclosure tool produces suitable and accurate disclosures. If you think you have undergone any such activity and have not yet been in contact with us, please email frs102@tpt.org.uk.

To begin preparing a disclosure, click on the 'New report' button at the bottom right of the page, and you will be taken to the 'Inputs' page.

5. Inputs page

On the 'Inputs' page you can select the accounting period to prepare disclosures for by selecting the 'Company start of year date' from the drop down list. For example, for your 31 March 2019 year-end disclosures, you should select 31 March 2018 as the start date.

Employer name - Employer Number

Your organisation's name and reference number is stated above. If the name and number shown above is incorrect, please send an email to frs102@tpt.org.uk quoting your organisation's reference number (e.g. E1234).

If you also have pension obligations in The Growth Plan, please access the separate online modeller via the following link: [FRS102 online tool](#).

Scheme Name	<input type="text" value="Scottish Housing Association Pension Scheme"/>	
Company Start of Year Date	<input type="text" value="31 March 2018"/> v	?
Accounting Period End Date	<input type="text" value="31 March 2019"/> v	?

Apply

Note – employers with Extended Solution tool access are also able to select each month-end since the last year-end to allow assessment of movements and prepare monthly, quarterly or interim updates as necessary. The 'Accounting Period End Date' can therefore also be amended as required for those with Extended Solution tool access. If you would like to upgrade please email frs102@tpt.org.uk.

5.1 Employer inputs

Once you have selected the accounting period and pressed 'Apply', the employer inputs section will appear below. There are various assumptions and values displayed, most of which can be overridden by the employer (within certain limits). There are three columns for each input: Central, Override and Final. The Central value is pulled from TPT's systems, the Override value can be typed in by the user, and the Final value is the figure that will be used in the disclosure calculations (if no Override is provided this will be the Central value). Each input is explained in further detail below, as well as the limits to which the Central value can be overridden:

5.2 Assumptions

Please refer to the 'DB Assumptions Reports' in the 'Supporting information' section of the tool for background information on each assumption and the methodology used to derive the default Central values.

Current accounting period

Assumption	Notes	Override limit
Discount Rate	This assumption is based on the membership profile particular to the employer.	Plus or minus 0.3%
Inflation (RPI)	This assumption is based on the membership profile particular to the employer.	Plus or minus 0.3%
Inflation (CPI)	This assumption is based on the membership profile particular to the employer.	Plus or minus 0.3%
Salary Growth	This is the long-term salary growth for the employer's active DB members or deferred DB members with a salary link. The assumption should be linked to growth in pensionable earnings as defined in the Scheme's Employer Administration Guide. This assumption is long-term and should be based on the DB membership profile, therefore it does not necessarily apply to all of the employer's workforce.	Plus or minus 1.0%
Life Expectancy at Age 65 - Male Retiring in [accounting year-end]	The current life expectancy for a male retiring in the accounting year-end.	Plus or minus 1.5 years
One Year Cost Adjustment Factor	Defaulted to 100%. You should only override this value following discussion with TPT, in line with the 'Corporate Activity – When to Contact TPT' document. For accounting periods ending on or after 31 March 2020 an option will also displayed to override the inputs as a pound amount (£). Again this should only be amended following discussion with TPT.	No limit

Previous accounting period

This table has the same inputs as the Current Accounting Period, except for the 'One Year Cost Adjustment Factor' which is not relevant. At each year-end you will need to input details of the results you disclosed at your previous year-end. Note that this functionality should only be used if you are also amending the Previous Accounting Liability (as below) from the Central value (i.e. you overrode at least one assumption in the previous accounting year).

5.3 Previous Accounting Liability

Assumption	Notes	Override limit
Accounting Liability at [accounting period start date]	<p>Central value calculated based on the Central assumptions at the accounting period start date. This value should not be overridden in the first year of operation. The next time you prepare your annual disclosures you will have an accounting liability at your previous year-end that should be entered here for consistency.</p> <p>If the previous accounting period liability is overridden please remember to also amend the previous accounting period assumption(s) as required.</p>	No limit

5.4 Cashflows

Following employer feedback, for accounting periods ending on or after 31 March 2020 the 'Expenses' inputs amount is split out from the 'Employer Contributions' input as detailed below. For accounting period prior to 31 March 2020 the Employer Contributions total includes expense payments.

Assumption	Notes	Override limit
Employer Contributions (excluding expenses)	Central value taken from TPT's administration system. This is the value of past service deficit contributions, scheme expense payments and employer contributions paid in respect of member benefit accrual within the period.	No limit
Expenses	Central value taken from TPT's administration system. This is the value of scheme expenses paid within the period.	No Limit
Member Contributions	Central value taken from TPT's administration system. This is the value of member contributions paid within the period.	No limit
Insured Benefit Claims & Transfer In	Central value taken from TPT's administration system. This value will usually be zero.	No limit
Augmentations	Central value taken from TPT's administration system. This value will usually be zero, and is the cash amount of any augmentations paid into the scheme for members.	No limit

5.5 Special Events & Adjustments

The entries in the 'Special Events & Adjustments' table will usually be zero, but entries may be required if there has been any 'Corporate Activity' in the period. As referred to above, please see the 'Corporate Activity – When to Contact TPT' document on the 'Supporting Information' page for details of when an entry may be required in this section.

Once you are happy with the inputs, click the 'Next' button to prepare the disclosures.

6. Results & Disclosures Page

This is the output page where you can preview the disclosure results. The information is split over three tabs:

- ‘Employer Disclosures’ are the entries that will be required to be disclosed in your accounts
- ‘Additional Information’ contains the tool inputs used and further information that does not need to be disclosed
- ‘Extended Content’ contains information only available to employers signed up to the full functionality (Extended Solution) of the tool. As well as monthly access, employers with full functionality can view a forecast of the next 5 year’s income and expenditure statement and balance sheet position, enabling you to prepare budgets for the following year based on the latest available assumptions and data. A table summarising the sensitivity of the balance sheet position to the key assumptions is also included (IAS19-style best practice information).

For a full breakdown of the accounting disclosures with a description of each entry, see the ‘Corporate Accounting Guide’ on the ‘Supporting Information’ page of the tool.

After reviewing the disclosures you can click to ‘Save’ the disclosures or press ‘Previous’ to go back and amend the inputs if required.

Once you click ‘Save’, a comments box will appear allowing you to make any notes applicable to the report, up to 200 characters long (this can be left blank if desired).

7. Saved Reports (Home page) – Report Saved

You will then be returned to the 'Saved Reports' page where you can access the report you have saved as below:

DB Accounting Disclosures

1. Saved Reports 2. Inputs 3. Results & Disclosures

Employer name- Employer number

This section acts as a store for all the documents you have created. If this is the first time you have used the tool, there will be no documents listed below.

Once you have created a 'New Report' you will be returned to this screen. You can delete any documents that you don't want to keep.

If you also have pension obligations in The Growth Plan, please access the separate online modeller via the following link: [FRS102 online tool](#).

[Supporting Information](#)

01 April 2018 - 31 March 2019 - 1 report

Name	Date Created	Download ?
<input type="checkbox"/> 31-03-2019 SHAPS Disclosure note	09 May 2019 14:20:02	HTML PDF Excel ▾

[Delete](#) [New Report](#)

The saved reports page automatically organises the reports by year. The name of the report shows the year-end (or month-end) the report was prepared for. You can click on the 'HTML', 'PDF' or 'Excel' buttons to view the disclosures in your web browser or as PDF or Excel versions as appropriate.

If you require the disclosures in a Word document, you should download the Excel version and then copy and paste as required into your Word document.

For employers with full functionality of the online tool, the option to download an 'Exec Summary' PDF document will also be shown. This document provides a high level summary of the accounting disclosures, including various graphs and charts to help visualise the movement of the position.

Clicking on the drop down button to the right hand side of the saved disclosure shows further details on the report saved:

01 April 2018 - 31 March 2019 - 1 report		
Name	Date Created	Download ?
<input type="checkbox"/> 31-03-2019 SHAPS Disclosure note	09 May 2019 14:20:02	HTML PDF Excel ▲
Report Id: a6bb5e7c-1e5a-453b-9568-6942feee16fe		
Created By: [User Name]		
Comments: No comments.		

This further information includes:

- Report Id – a unique code that is replicated on the PDF version of the disclosures, allowing you to show to your auditors that the document was created in the online tool at the date and time shown, using the same Inputs as saved on the PDF.
- Created By – shows which user saved the report
- Comments – displays any comments that were entered whilst saving the report

Employer groups only: *You can then repeat this process from section 4 onwards for each employer in your group by clicking on 'Change Employer' at the top of the page. You will then note there is a different 'Saved Reports' home page for each employer.*