



# Now's the time

to help your employees  
explore making the  
most of their bonus



For employer use only

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- A man with a beard, wearing a yellow turban and a dark jacket, is looking down at a smartphone in his hands. The background is blurred, suggesting an outdoor setting. The text is overlaid on the left side of the image.
- 1** How Bonus Exchange works
  - 2** The benefits to you
  - 3** The benefits to your employees
  - 4** How we can support you
  - 5** Campaign materials

# 1 How it works

## **Bonus Exchange puts you in a win-win position**

With bonus time just around the corner, you've now got the chance to offer your employees a valuable and tax-efficient way of saving for their future.

## **Bonus Exchange scheme (or bonus sacrifice)**

- Instead of receiving their bonus as part of their salary, your employees can choose to have some, or all, of their bonus paid directly into their pension pot before you have decided the bonus due to them.
- The process is simple. By varying their terms and conditions of employment, they give up their contractual right to a future cash payment of the amount they've sacrificed.

We point out to employees that the value of a pension can go down and up, employees could get back less than what's paid in, tax benefits are subject to change and their value depends on individual circumstances.

Your employees must make the decision to sacrifice their bonus before the bonus is paid. Furthermore, we also explain that employees can't change their mind once they've agreed to Bonus Exchange.

Please note that Bonus Exchange may not be suitable for all employees.



## 2 The benefits to you

### How you benefit

As an employer, you can make valuable savings on your National Insurance Contributions.

Bonus Exchange helps your employees save smarter and more tax-efficiently for their future, so you're seen as someone who values them and the contribution they make to your business.

We support you with a range of free, downloadable materials for you to share with your employees and help make them aware of the Bonus Exchange scheme.

A way which may help increase take-up of the Bonus Exchange scheme would be to redistribute some of your NIC savings to your employees to boost their pension although it's up to you to choose how to use this saving. The maximum amount is 13.8% of the bonus.



# 3 The benefits to your employees

We'll provide your employees with comparisons of taking their bonus without Bonus Exchange ('get some of it') and then with it ('keep it in one piece'). See examples below.

The figures below are based on a £1000 bonus for a **basic-rate taxpayer** paid in the 2022/23 tax year.

## Option 1 - get some of it

<b>Without Bonus Exchange</b> your bonus as salary	<b>Minus</b> £200 Income Tax	<b>Minus</b> £132.50 National Insurance	Your bonus is <b>£667.50</b> salary
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## Option 2 - keep it in one piece

<b>With Bonus Exchange</b> your bonus as pension	<b>No Income Tax to pay</b>	<b>No National Insurance to pay</b>	Your bonus is <b>£1000</b> paid into your workplace pension
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The figures below are based on a £1000 bonus for a **higher-rate taxpayer** paid in the 2022/23 tax year.

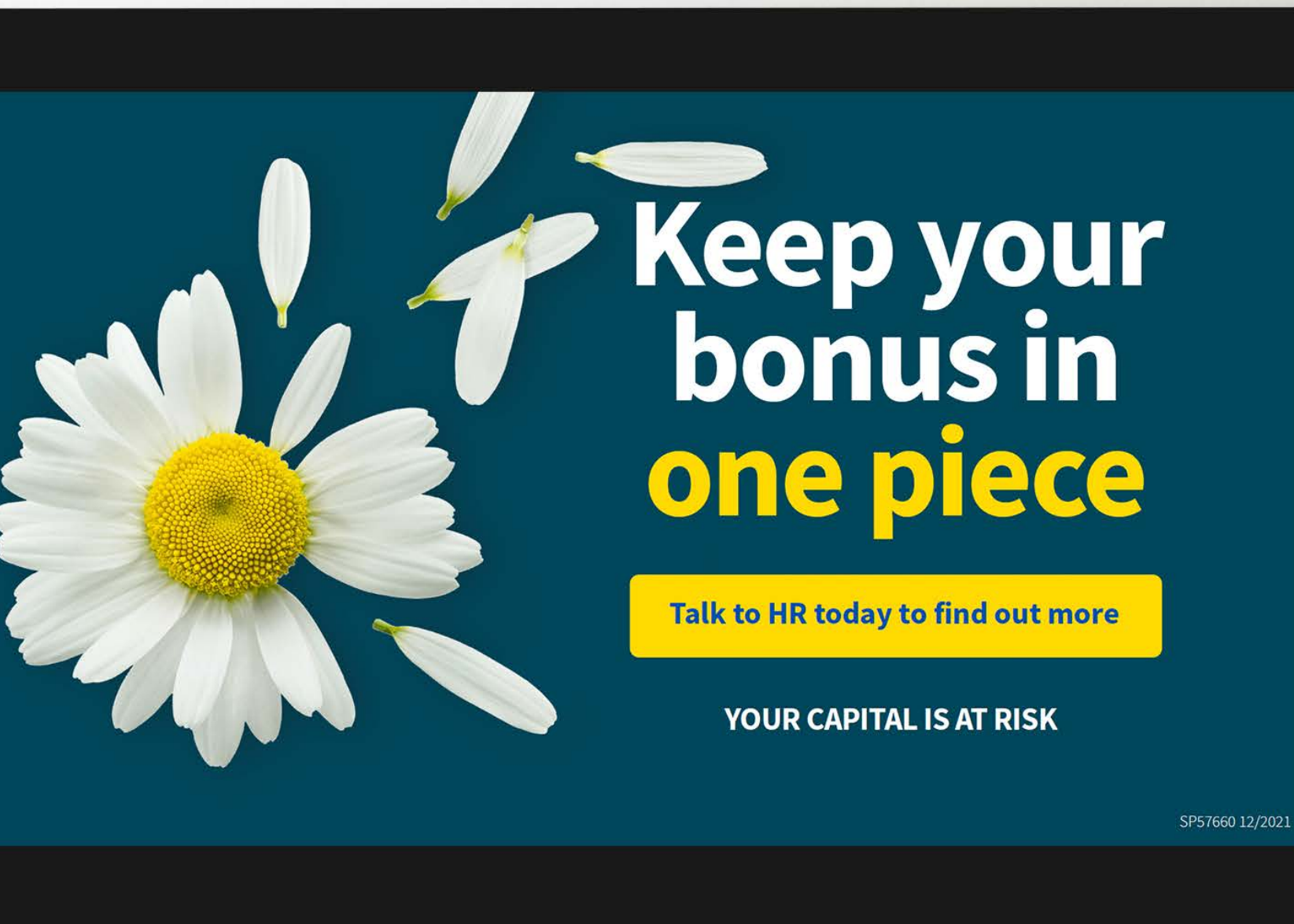
## Option 1 - get some of it

<b>Without Bonus Exchange</b> your bonus as salary	<b>Minus</b> £400 Income Tax	<b>Minus</b> £32.50 National Insurance	Your bonus is <b>£567.50</b> salary
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## Option 2 - keep it in one piece

<b>With Bonus Exchange</b> your bonus as pension	<b>No Income Tax to pay</b>	<b>No National Insurance to pay</b>	Your bonus is <b>£1000</b> paid into your workplace pension
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## 4 How we can support you



**Keep your  
bonus in  
one piece**

**Talk to HR today to find out more**

**YOUR CAPITAL IS AT RISK**

SP57660 12/2021

### **It's your call**

Bonus Exchange is entirely up to you. As an employer, you make the call on helping your employees maximise their bonus payments.

And we can help you by providing what you need to make this work well.

You can pick and mix from the content and information we have ready for you, tailoring a campaign that suits your business.



## Keep your bonus in **one piece**

Hi,

Your bonus is due soon and the good news is that our Bonus Exchange scheme has the potential to give your pension an extra lift.

Bonus Exchange means that you can choose to have all, or part of, your bonus paid directly into your workplace pension instead of receiving it as part of your salary. The deadline to act is 03/04/2022.

### **You choose** - here's how it works

Here's a comparison of taking your bonus without Bonus Exchange and then with it. The figures are based on a £1000 bonus for a basic-rate taxpayer paid in the 2021/22 tax year.

# 5 Campaign materials

## The campaign

Set a date to process Bonus Exchange requests in agreement with payroll. Follow the campaign journey, it's easy.

All items can be **downloaded here**

**Keep your bonus in one piece**  
What would you choose?

<b>£1000</b> in one piece	OR	<b>£667.50</b> bonus as salary
Use Bonus Exchange to invest it in your pension		£1000 Bonus as salary -£200 Income Tax -£132.50 National Insurance =£667.50 after deductions

**Without Bonus Exchange** - your bonus as salary

**With Bonus Exchange** - your bonus as pension

**No Income Tax to pay**

**No National Insurance to pay**

Your bonus is **£1000** paid into your workplace pension.

**Keep your bonus in one piece**  
What would you choose?

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**Without Bonus Exchange** - your bonus as salary

**With Bonus Exchange** - your bonus as pension

**No Income Tax to pay**

**No National Insurance to pay**

Your bonus is **£1000** paid into your workplace pension.

**Keep your bonus in one piece**  
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**Without Bonus Exchange** - your bonus as salary

**With Bonus Exchange** - your bonus as pension

**No Income Tax to pay**

**No National Insurance to pay**

Your bonus is **£1000** paid into your workplace pension.

**Keep your bonus in one piece**

Your bonus is due soon and the good news is that our Bonus Exchange scheme has the potential to give your pension an extra lift.

**Talk to HR today to find out more**

YOUR CAPITAL IS AT RISK

Banner ads

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YOUR CAPITAL IS AT RISK

Screen savers

Posters

**Keep your bonus in one piece**

Dear Helen,

Your bonus is due soon and the good news is that our Bonus Exchange scheme has the potential to give your pension an extra lift.

And you have a short time left to decide what to do. The deadline to act is 31st March. Your Bonus Exchange means that you can choose to have all - or part of - your bonus paid directly into your workplace pension instead of receiving it as part of your salary.

**You choose - here's how it works**

Here's a comparison of taking your bonus without Bonus Exchange and then with it. The figures are based on a £1,000 bonus for a basic-rate taxpayer paid in the 2022/23 tax year.

<b>Option 1 - get some of it</b>	<b>Without Bonus Exchange</b> - your bonus as salary	<b>Minus £200 Income Tax</b>	<b>Minus £132.50 National Insurance</b>	Your bonus is <b>£667.50</b> as salary
<b>Option 2 - keep it in one piece</b>	<b>With Bonus Exchange</b> - your bonus as pension	<b>No Income Tax to pay</b>	<b>No National Insurance to pay</b>	Your bonus is <b>£1000</b> paid into your workplace pension.

It's a case of either receiving the bonus and paying Income Tax and National Insurance (NI) contributions on it, or getting all, or some of it, paid into your workplace pension. You can split your bonus in the proportions you choose.

Letters

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**Talk to HR today to find out more**

YOUR CAPITAL IS AT RISK

Yammer Posts

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**Salary now**

- You could take the bonus and spend it on what you like. You've earned it. But you'll need that money to get April 6.

**Pension later**

- All your bonus goes to your workplace pension and it has the chance to grow in a tax-efficient environment, helping to build up a pot of money for your future.
- Once you've agreed to exchange your bonus, you can't change your mind. It's allocated to your workplace pension and stays there until you take your pension benefits.

Emails



## Create awareness

### 6 weeks to go

- Set up screensavers.
- Use the email templates to send to your employees.
- Upload the banners to your intranet.
- Display posters around your workplace.
- Post on social media.
- If you prefer you can send a letter.

## Reminder to act

### 3 weeks to go

- Send out reminder email to your employees.

## Act now

### 1 week to go

- Send a reminder on social media.
- Remind your employees to contact HR/payroll.

**AVIVA**

# Keep your bonus in one piece

What would you choose?

<b>£1000</b> in one piece	or	<b>£667.50</b> bonus as salary								
<b>Use Bonus Exchange</b> to invest it in <b>your pension</b>		<table border="1"><tr><td><b>£1000</b></td><td><b>Bonus as salary</b></td></tr><tr><td>- £200</td><td>Income Tax</td></tr><tr><td>- £132.50</td><td>National insurance</td></tr><tr><td><b>£667.50</b></td><td><b>after deductions</b></td></tr></table>	<b>£1000</b>	<b>Bonus as salary</b>	- £200	Income Tax	- £132.50	National insurance	<b>£667.50</b>	<b>after deductions</b>
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- £200	Income Tax									
- £132.50	National insurance									
<b>£667.50</b>	<b>after deductions</b>									

- You can also split your bonus between taking some of it as salary and putting the rest of it into your pension, in the proportions you choose. The figures show a basic-rate taxpayer getting a £1,000 bonus paid in the 2022/23 tax year and is for illustrative purposes only.
- Tax benefits are subject to change and their value depends on your individual circumstances.
- Don't forget that you won't be able to access your pension until you're 55 (57 from 2028). So if you think you'll need access to your bonus cash, bear this in mind.
- Your pension's value can go down as well as up and is not guaranteed. It could be worth less than has been invested.
- Bonus Exchange is not suitable for everyone. **Speak to HR for more information.**

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## Any questions?

Please speak to your Aviva contact

## Additional useful links

[Salary sacrifice  
including bonus sacrifice guide](#)

[Annual allowance \(including MPAA\)](#)

[Lifetime allowance](#)

[Tapering the annual allowance](#)

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