

Bonus Exchange puts you in a win-win position

With bonus time just around the corner, here's 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 before an agreed date.
- 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 as well as up, employees could get back less than what has been paid and that tax benefits are subject to change, with their value depending on individual circumstances.

You choose how you use Bonus Exchange:

Where there's a reduction in National Insurance Contributions (NIC), you can save* up to 13.8% of the amount being exchanged. Your employees can save 12% on the amount being exchanged between the primary threshold and upper earnings limit (UEL).

For your employees, the greatest savings are for those earning below the upper earnings limit. Those earning above the UEL will save 2% in NIC although you will still save 13.8%.

The NIC saving can be used to increase the employee's takehome pay, or boost your employee's pension savings, leaving their net spendable income unchanged.

* It is up to individual employers to decide how much of their NIC saving will go into the employee's pension. The maximum amount is 13.8% of the bonus. Bonus exchange can also affect an individual's entitlement to state benefits.

How you benefit



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



Bonus Exchange helps your employees save smarter for their future. It helps show employees that you value them and the contributions 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 of increasing 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.

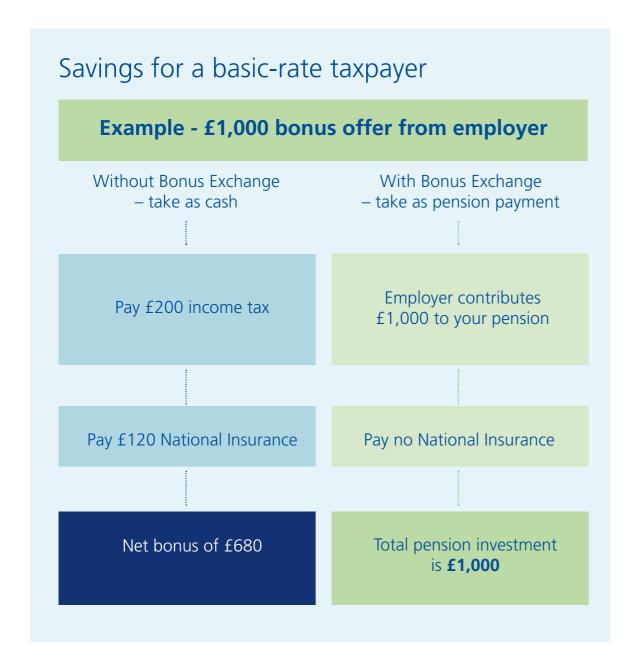
Your employees' bonuses become more tax efficient

They can save on their tax and NIC payments and these savings can be used to either:



See how the savings add up









How the campaign works

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



CREATE AWARENESS

6 weeks to go

Intranet banner

Display on your intranet.

Email

Use the email templates to send to your employees.

Video

Upload the video to your intranet.

Poster

Display around your workplace.

Deskdrop

Distribute to your employees.

Letter

If you prefer you can send a letter



REMINDER TO ACT 3 weeks to go

Reminder email

Send out this reminder email to your employees.



ACT NOW

1 week to go

Reminder banner

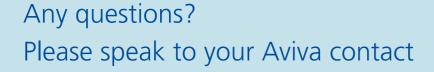
Replace the original banner with this banner message.

Remind your employees to contact HR

We have everything you need

We've developed a campaign for you that's designed to encourage your employees to sign up for Bonus Exchange by a date agreed with your payroll department.

There's a range of free campaign materials which you can download from our **employer hub**, including a deskdrop mailing, email templates, workplace poster, a video and banners that can be downloaded onto your own intranet.



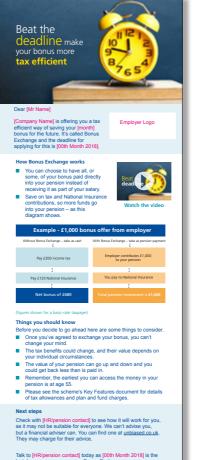
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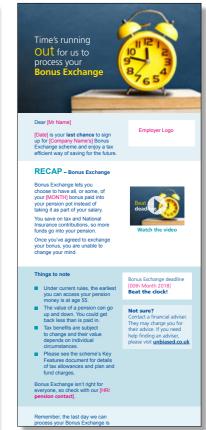






^{Video} <u>Play Video</u>











Intranet banners



Letter copy