

<Title Initial Surname>
<Address line 1>
<Address line 2>
<Address line 3>
<Address line 4>
<Postcode>

<Date>

Keep your bonus in one piece



Dear <xxxx>,

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 <Day / Month / Year>. 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 higher-rate taxpayer paid in the 2023/24 tax year. Please note the figures shown apply only to those subject to income tax in England, Wales and Northern Ireland. (Figures are based upon income tax and National Insurance rates with effect from 6 April 2023)

Option 1 - get some of it

| | | | |
|---|---------------------------------|--|--|
| Without Bonus Exchange your bonus as salary | Minus £400 Income Tax | Minus £20 National Insurance | Your bonus is £580 as salary |
|---|---------------------------------|--|--|

Option 2 - keep it in one piece

| | | | |
|---|---------------------------------|---|---|
| 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 |
|---|---------------------------------|---|---|

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.

✔ Salary now

- You could take the bonus and spend it on what you like. You've earned it. But bear in mind that once it's gone, that's it.

✔ Pension later

- Add your bonus to your workplace pension and it has the chance to grow in a tax-efficient environment, helping to build 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.

✔ Things to remember

- The earliest you can take your benefits is the minimum pension age. This is currently age 55. From 6 April 2028 this will be age 57 unless you have a protected pension age. To find out more visit [aviva.co.uk/nmpa](https://www.aviva.co.uk/nmpa)
- The value of your pension can go down as well as up and is not guaranteed. It could be worth less than has been invested.
- Tax benefits are subject to change and their value depends on your individual circumstances.
- Bonus Exchange is not suitable for everyone. Please speak to HR for more information.
- If you exceed the annual allowance of £60,000 that can be paid into your pension in the 2023/24 tax year, you may incur a tax charge.
- If you're in any doubt about doing this, contact a financial adviser who may charge you for the advice they give you. If you need help finding an adviser, please visit [unbiased.co.uk](https://www.unbiased.co.uk).

Get things moving

To find out more, please get in touch with:

Thank you