

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 bright yellow turban and a dark jacket, is shown in profile, looking down at a smartphone he is holding in his hands. The background is blurred, suggesting an outdoor setting with warm lighting.
- 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 as well as up, employees could get back less than has been paid in and that tax benefits are subject to change, with their value depending on individual circumstances.
- Your employees must make the decision to sacrifice their bonus before the bonus is paid. We 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 to share with your employees to help make them aware of the Bonus Exchange scheme.

A possible means to 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 2023/24 tax year.*

Option 1 - get **some** of it

Without Bonus Exchange your bonus as salary	Minus £200 Income Tax	Minus £120 National Insurance	Your bonus is £680 as salary
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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
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The figures below are based on a £1000 bonus for a **higher-rate taxpayer** paid in the 2023/24 tax year.*

Option 1 - get **some** of it

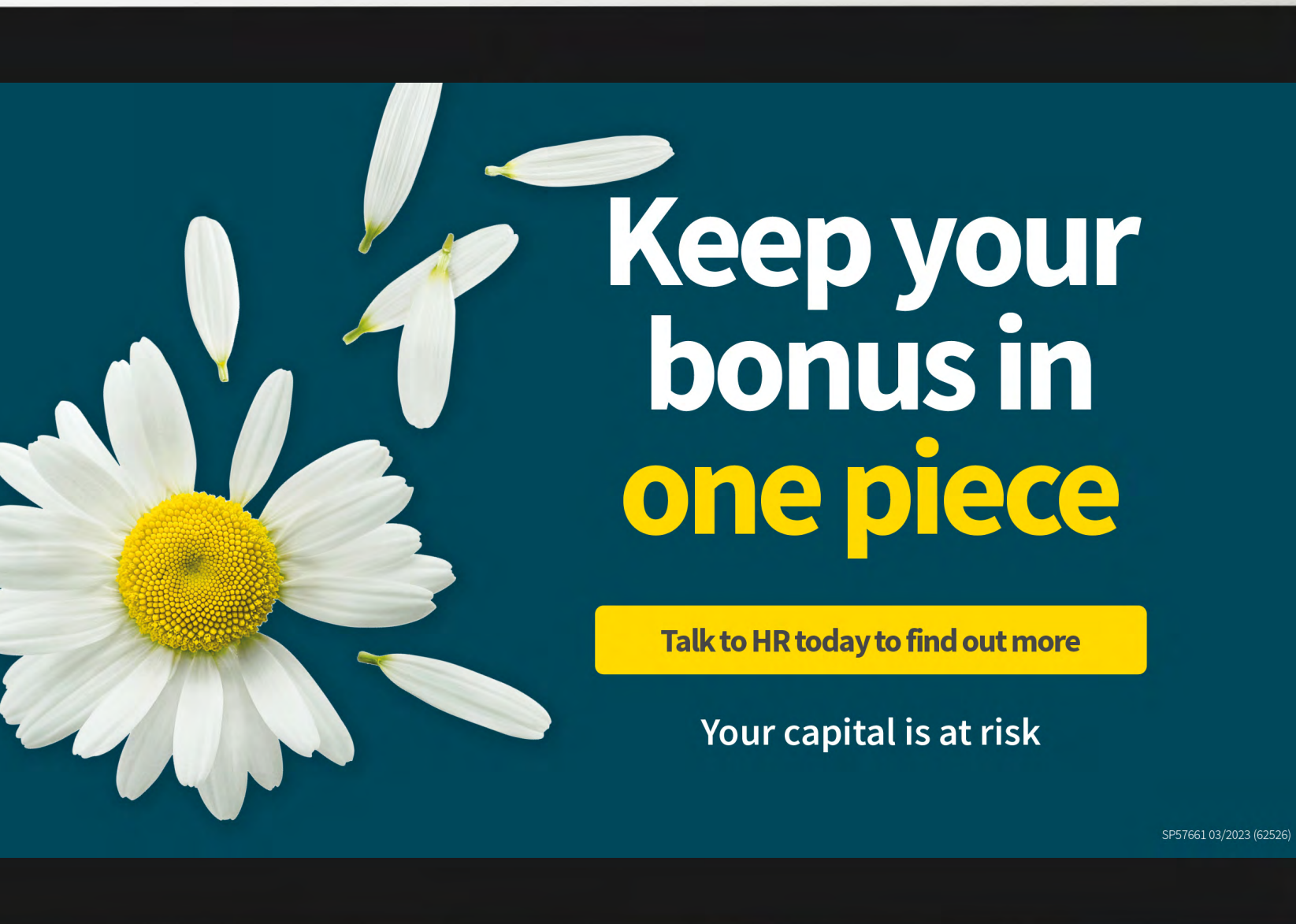
Without Bonus Exchange your bonus as salary	Minus £400 Income Tax	Minus £20 National Insurance	Your bonus is £580 as salary
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Option 2 - keep it in **one piece**

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
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*Figures are based upon income tax and National Insurance rates with effect from 6 April 2023

4 How we can support you

A digital screen with a dark teal background. On the left, there is a large white daisy flower with a yellow center, and several white daisy petals are floating around it. The text 'Keep your bonus in one piece' is displayed in large, bold, white and yellow font. Below this, a yellow button contains the text 'Talk to HR today to find out more'. At the bottom, the text 'Your capital is at risk' is written in white. In the bottom right corner, there is a small white text string 'SP57661 03/2023 (62526)'.

**Keep your
bonus in
one piece**

Talk to HR today to find out more

Your capital is at risk

SP57661 03/2023 (62526)

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

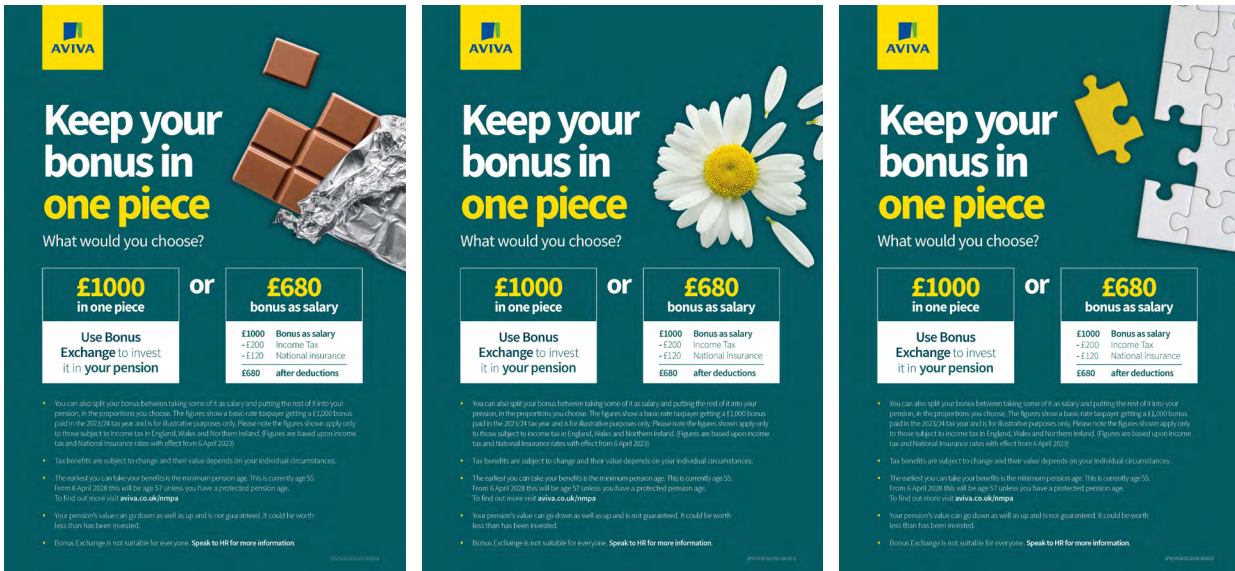
Here's a comparison of taking your bonus without Bonus Exchange and then with it. The figures are based on a £1000 bonus for a basic-rate taxpayer paid in the 2021/22 tax year.

5 Campaign materials

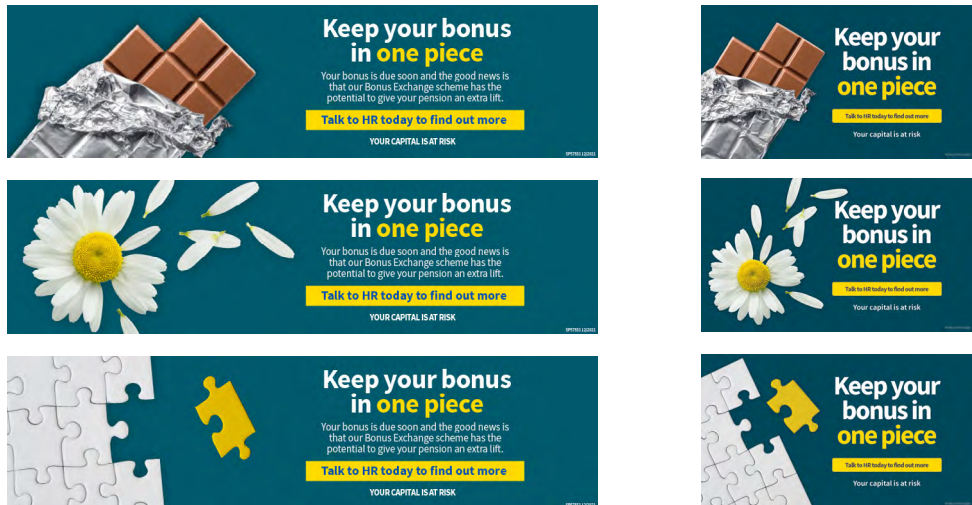
The campaign

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**

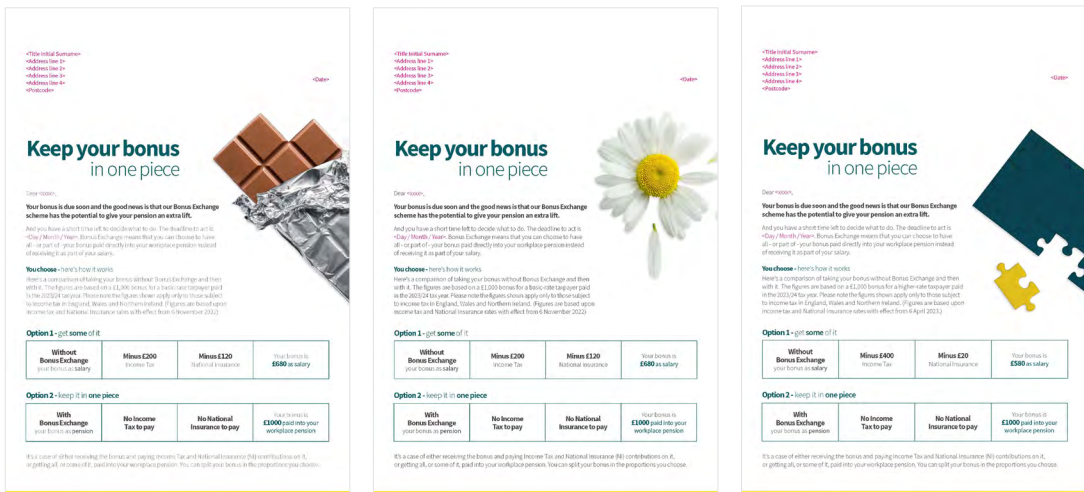


○ Posters

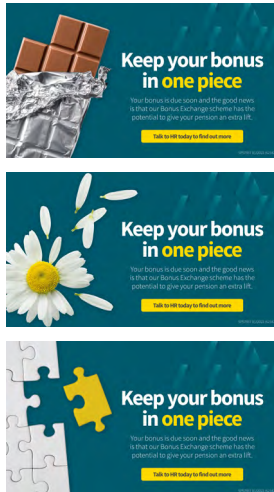


- Banner ads

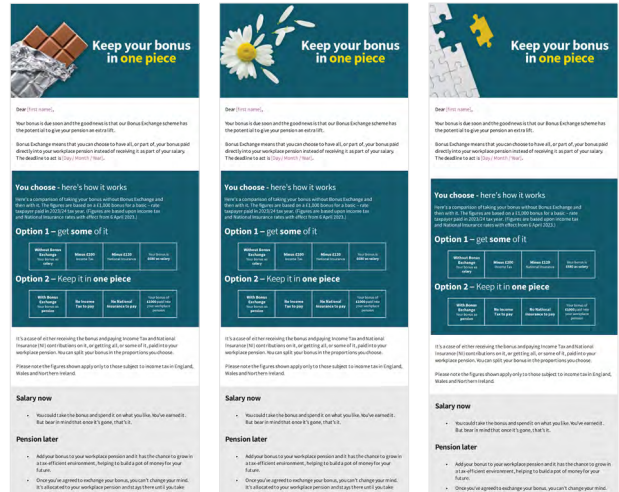
- Screen savers



- Letters



- Yammer Posts



- 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?

£1000 in one piece	or	£680 bonus as salary										
Use Bonus Exchange to invest it in your pension		<table border="1"><thead><tr><th></th><th>Bonus as salary</th></tr></thead><tbody><tr><td>£1000</td><td>Bonus as salary</td></tr><tr><td>- £200</td><td>Income Tax</td></tr><tr><td>- £120</td><td>National insurance</td></tr><tr><td>£680</td><td>after deductions</td></tr></tbody></table>		Bonus as salary	£1000	Bonus as salary	- £200	Income Tax	- £120	National insurance	£680	after deductions
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- £200	Income Tax											
- £120	National insurance											
£680	after deductions											

- 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 2023/24 tax year and is for illustrative purposes only. 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)
- Tax benefits are subject to change and their value depends on your individual circumstances.
- 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)
- 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.**

SP57533A 09/2023 (6/2023)

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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SP57559 03/2023 (62544)

