

CLIENT SALARY SACRIFICE EXAMPLE

Client	Lisa Bowman	74 Northumberland Road, Jesmond, Tyne & Wear, NE2 6TT Tel: 0191 278534
---------------	-------------	---

Employer	EVC	Gross Salary	Tax Allowance	Monthly Pension
Carpets , Rugs and Tiles	£0.00	£30,000.00	£7,475.00	£200.00 (8.0%)

Before SalSac

After SalSac

Gross Annual Salary	£30,000.00
Gross Monthly Salary	£2,500.00

Gross Annual Salary	£26,470.59
Gross Monthly Salary	£2,205.88

Tax	20%	£375.42
Tax	40%	£0.00
Tax	50%	£0.00
Employee National Insurance		£227.72

Tax	20%	£316.59
Tax	40%	£0.00
Tax	50%	£0.00
Employee National Insurance		£192.43

Total Deductions	£603.14
-------------------------	----------------

Total Deductions	£509.02
-------------------------	----------------

Net Pension Contribution	£200.00
--------------------------	---------

Net Pension Contribution	£0.00
--------------------------	-------

Spendable Income	£1,696.86
-------------------------	------------------

Spendable Income	£1,696.86
-------------------------	------------------

AMOUNT INVESTED IN PENSION	£250.00
-----------------------------------	----------------

AMOUNT INVESTED IN PENSION	£334.71
-----------------------------------	----------------



Additional Contributions At No Extra Cost	
Each Month	£84.71
Each Year	£1,016.52
To Anticipated Retirement Age	£43,710.36

Examples shown before salsac assume that higher rate taxpayers have claimed the difference between basic rate tax relief and higher rate tax relief.

Pension contributions made after salsac receive tax and NI reductions by PAYE.

Amounts do not include any investment growth that may be realised and assumes no change in pension contributions or tax relief legislation.

These figures are examples only and should be checked with your employer before proceeding with a salary sacrifice arrangement.

RPUK
Retirement Planning UK

Illustration Date: 07/04/2011

2011-2012 Tax Year

SalSac Software by Solidata Ltd

Salary Sacrifice calculations are based on National Insurance 'Contracted In' rates for people aged under 65. Whilst every effort has been made to ensure that the figures provided are accurate, it is impossible to predict all the individual circumstances for which these calculations may be used. Solidata Ltd or Retirement Planning UK shall not be liable to any person or entity with respect to any loss or damage caused or alleged to be caused by the information contained in or omitted in the salary sacrifice illustrations. It would be advisable to contact your employer, accountant or tax adviser before entering into a salary sacrifice agreement.

EXAMPLE PAY SLIPS

Before SalSac

COMPANY NAME: CARPETS , RUGS AND TILES							
Department:				Payment Method:		Payment Period: Monthly	
DESCRIPTION	HOURS	RATE	AMOUNT	DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
Salary	1.00	2500.00	2500.00	PAYE Tax	375.42	Total Gross Pay TD	2500.00
				National Insurance	227.72	Gross for Tax TD	2500.00
				=====		Tax Paid TD	375.42
				Employee Personal Pension Contribution	200.00	Earnings for NI TD	
				(Paid by Direct Debit from Employee personal bank account)		Nat Insurance TD	227.72
						=====	
						Earnings for NI Gross for Tax	2500.00
						Total Gross Pay	2500.00
						Nat Insurance No	
DATE	DEPT	PAY POINT	TAX CODE	EMPLOYEE No	EMPLOYEE NAME		NET PAY
1 30/04/2011			747L	CRT005	Lisa Bowman		1696.86

After SalSac

COMPANY NAME: CARPETS , RUGS AND TILES							
Department:				Payment Method:		Payment Period: Monthly	
DESCRIPTION	HOURS	RATE	AMOUNT	DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
Original Salary	1.00	2500.00	2500.00	PAYE Tax	316.59	Total Gross Pay TD	2205.88
Salary Sacrifice			294.12	National Insurance	192.43	Gross for Tax TD	2205.88
						Tax Paid TD	316.59
				=====		Earnings for NI TD	
New Salary	1.00	2205.88	2205.88			Nat Insurance TD	192.43
						=====	
(Employer Pension Contribution)			(334.71)			Earnings for NI Gross for Tax	2205.88
						Total Gross Pay	2205.88
						Nat Insurance No	
DATE	DEPT	PAY POINT	TAX CODE	EMPLOYEE No	EMPLOYEE NAME		NET PAY
1 30/04/2011			747L	CRT005	Lisa Bowman		1696.86



Salary Sacrifice calculations are based on National Insurance 'Contracted In' rates for people aged under 65. Whilst every effort has been made to ensure that the figures provided are accurate, it is impossible to predict all the individual circumstances for which these calculations may be used. Solidata Ltd or Retirement Planning UK shall not be liable to any person or entity with respect to any loss or damage caused or alleged to be caused by the information contained in or omitted in the salary sacrifice illustrations. It would be advisable to contact your employer, accountant or tax adviser before entering into a salary sacrifice agreement.

Ms L Bowman
74 Northumberland Road
Jesmond
Tyne & Wear
NE2 6TT

05/04/2011

Dear Ms Bowman,

Further to our recent discussion, I have pleasure in enclosing a draft illustration of the potential benefits to be gained from the use of a Salary Sacrifice Scheme to provide additional contributions to your pension scheme.

Your current and proposed contributions to your pension fund are:

Current Monthly	Proposed Monthly	Percentage Increase
Gross £250.00	Gross £334.71	Gross 33.9%

Additional contributions gained are at no extra cost to either yourself or your employer - savings made from your tax and national insurance give you the enhanced benefits shown above. The draft illustration attached gives you a more detailed breakdown of the before and after figures.

I look forward to discussing the options in more detail with you and your employer at our next meeting, which we can arrange when I call you in the next few days.

Yours sincerely,

Mary McNaughton
Adviser

05/04/2011

Dear Ms Bowman,

Salary Sacrifice

With effect from 14/04/2011, your salary will reduce from £30,000.00 p.a. to £26,470.59 p.a. The monetary reward has been reduced in lieu of an employer contribution to your pension arrangement.

By signing this letter, you are confirming your agreement. Please sign both copies, keep one for your own records and return the other copy to Carpets , Rugs and Tiles.

Yours sincerely,

Signed

Date

For and on behalf of Carpets , Rugs and Tiles

I confirm that I agree to this reduction in salary.

Signed

Date

As this agreement constitutes a change to the employee's contract of employment, we recommend that legal advice be sought.