

EMPLOYER SALARY SACRIFICE EXAMPLE

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|-----------------|----------------------|--|
| Employer | Pelton Pooch Parlour | 44 Main Street, Pelton, Co Durham, DH7 1ZZ Tel: 0191 388123 |
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| Employee | Tax Allowance |
|---------------|---------------|
| Donna Collier | £10,600.00 |

| Employee Pay Ref | Tax Allowance | % NIC Retained |
|------------------|---------------|----------------|
| PPP001 | £10,600.00 | 0% |

Before SalSac

After SalSac

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|----------------------------|-------------------|
| Gross Annual Salary | £24,000.00 |
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| Gross Annual Salary | £21,882.35 |
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| Cost to Employer | |
|---------------------------------|-----------|
| Gross Monthly Salary | £2,000.00 |
| Employer National Insurance | £182.71 |
| Employer Voluntary Contribution | £100.00 |
| Employer Pension Contribution | £0.00 |

| Cost to Employer | |
|---------------------------------|-----------|
| Gross Monthly Salary | £1,823.53 |
| Employer National Insurance | £158.36 |
| Employer Voluntary Contribution | £100.00 |
| Employer Pension Contribution | £200.82 |

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| TOTAL COST TO EMPLOYER | £2,282.71 |
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| TOTAL COST TO EMPLOYER | £2,282.71 |
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| Cost to Employee | | |
|-----------------------------|-----|-----------|
| Gross Monthly Salary | | £2,000.00 |
| Tax | 20% | £223.33 |
| Tax | 40% | £0.00 |
| Tax | 45% | £0.00 |
| Employee National Insurance | | £159.40 |

| Cost to Employee | | |
|-----------------------------|-----|-----------|
| Gross Monthly Salary | | £1,823.53 |
| Tax | 20% | £188.04 |
| Tax | 40% | £0.00 |
| Tax | 45% | £0.00 |
| Employee National Insurance | | £138.22 |

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| Total Deductions | £382.73 |
| Net Pension Contribution | £120.00 |

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| Total Deductions | £326.26 |
| Net Pension Contribution | £0.00 |

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| Spendable Income | £1,497.27 |
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| Spendable Income | £1,497.27 |
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| AMOUNT INVESTED IN PENSION | £250.00 |
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|-----------------------------------|----------------|
| AMOUNT INVESTED IN PENSION | £300.82 |
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Before

Basic rate tax relief is added to the pension contribution at source.

For higher rate taxpayers it is assumed that they have claimed the difference between basic rate tax relief and higher rate tax relief.

The relief claimed back in the 'Higher Rate Tax Relief Adjustment' is then added to the 'Spendable Income'.

After

A reduced gross salary for the employee is calculated and an increased pension contribution is made on behalf of the employee by the employer.

The total cost to the employer and the spendable income of the employee remain the same as before without having to claim any tax relief back from the inland revenue.

Employer Savings When % NIC Taken

| | |
|------------|-------|
| Each Month | £0.00 |
| Each Year | £0.00 |

Employer Savings When Maximum NIC Taken

| | |
|------------|---------|
| Each Month | £24.35 |
| Each Year | £292.20 |

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.



Illustration Date: 29/04/2015

2015-2016 Tax Year

SalSac Software by Solidata Ltd

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