

# your pension contributions.



The following information applies to people living in Scotland only.  
If you live elsewhere in the UK different tax bands and rates apply.

## Using salary sacrifice to make pension contributions.

Your employer provides you with access to a pension scheme and you have the option to make contributions to this scheme via salary sacrifice.

Salary sacrifice is an agreement between you and GSK to reduce your salary by an amount determined by you, and in turn GSK will make a contribution into your pension.

Below are two tables to illustrate how tax and National Insurance may be applied to an employee earning £30,000pa. The table on the left shows the tax and National Insurance costs that could apply to a member who is making a 2% core pension contribution only. The table on the right shows how making a 2% core pension contribution plus 3% matching pension contribution could reduce the tax and National Insurance costs for this member.

Salary deductions after 2% core pension contribution only		Salary deductions after 2% core plus 3% matching pension contributions	
Pension contributions	£600 pa	Pension contributions	£1,500 pa
Gross salary	£29,400 pa	Gross salary after pension contributions	£28,500 pa
Less income tax	£3,371 pa	Less income tax	£3,182 pa
Less National Insurance	£1,346 pa	Less National Insurance	£1,274 pa
Salary after deductions	£24,683,998 pa	Salary after deductions	£24,044 pa

The additional £900 that the member has chosen to make in pension contributions through salary sacrifice has resulted in a tax and National Insurance saving of £261 per year. The net cost to the member of making this additional £900 pension contribution is therefore £639 per year.

You should be aware that you may pay tax and National Insurance at different rates to those shown in the example. You may also have other deductions taken directly from your salary.

To discuss your options with **my wealth**, please contact:



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