

# Education caveat

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# GSK – financial fitness check



**WEALTH at work**

part of the Wealth at Work group

# About us

WEALTH at work is a leading financial wellbeing, retirement and workplace savings specialist.

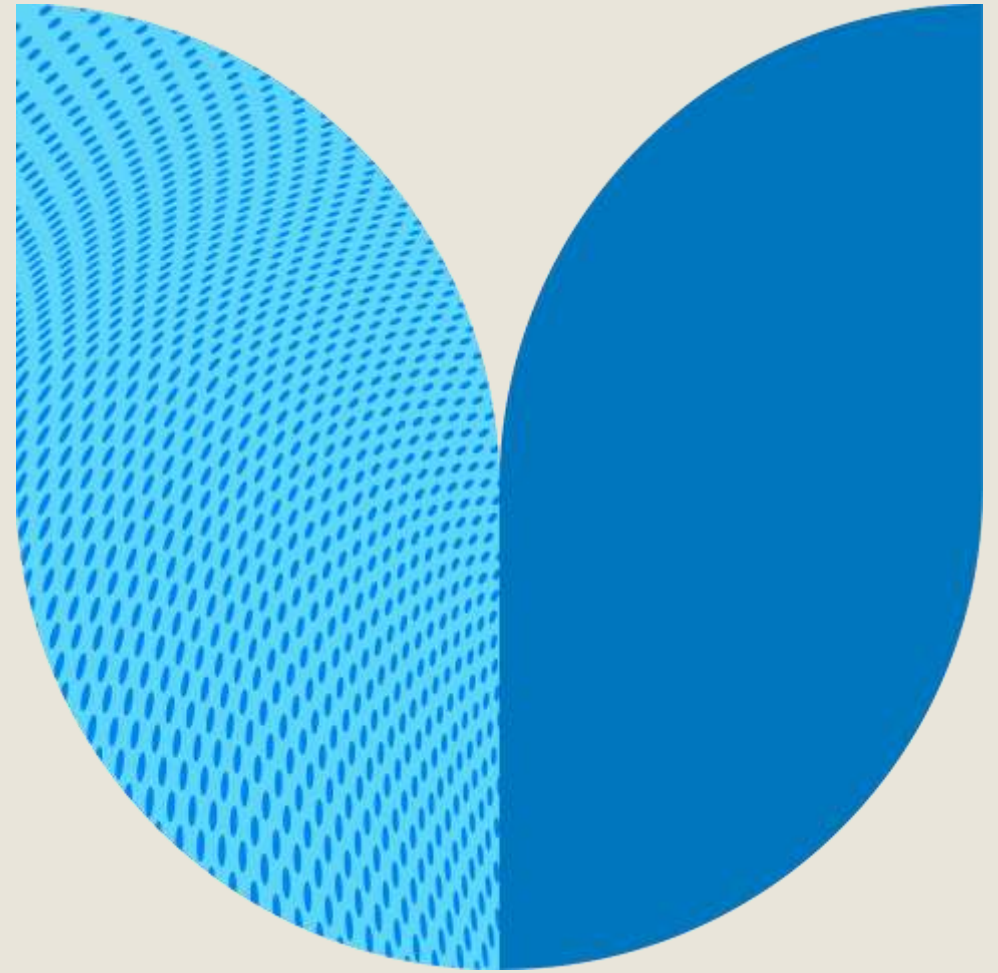
Established in 2005, we work with hundreds of organisations across both the private and public sector.

Our financial education services are delivered on a bespoke basis.

# What we'll cover today

- Salary inflation and frozen tax bands
- Tax relief on your pension contributions
- Capital Gains Tax and other tax allowances
- Taking action with your GSK shares
- Further information and advice

# Salary inflation and frozen tax bands



# Rates of income tax

**Personal Allowance**  
on the first  
£12,570\*



>£12,570\*

**Basic Rate Tax**  
on the next  
£37,700



>£50,270

**Higher Rate Tax**  
on the next  
£74,870



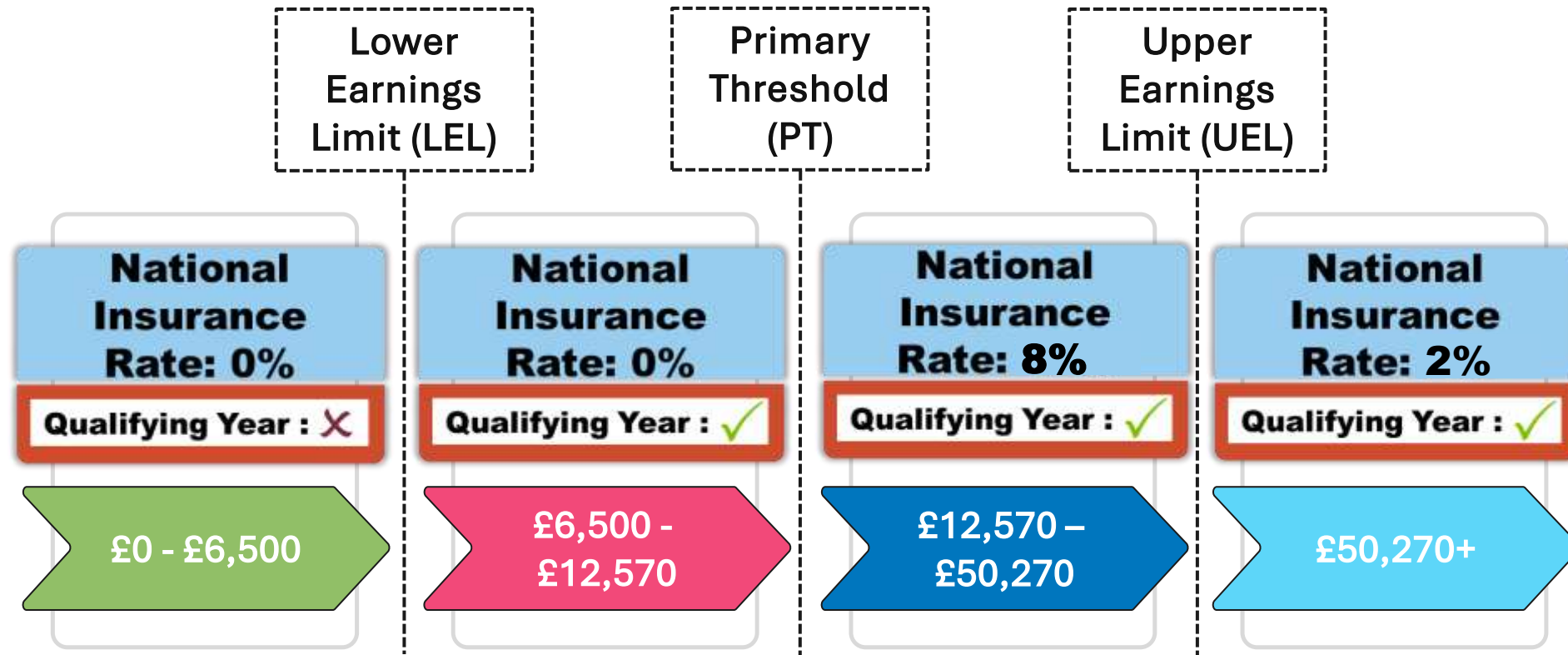
>£125,140

**Additional Rate Tax**  
on earnings above  
£125,140



\*The Personal Allowance reduces by £1 for every £2 of income above £100,000.

# National Insurance



# Salary inflation

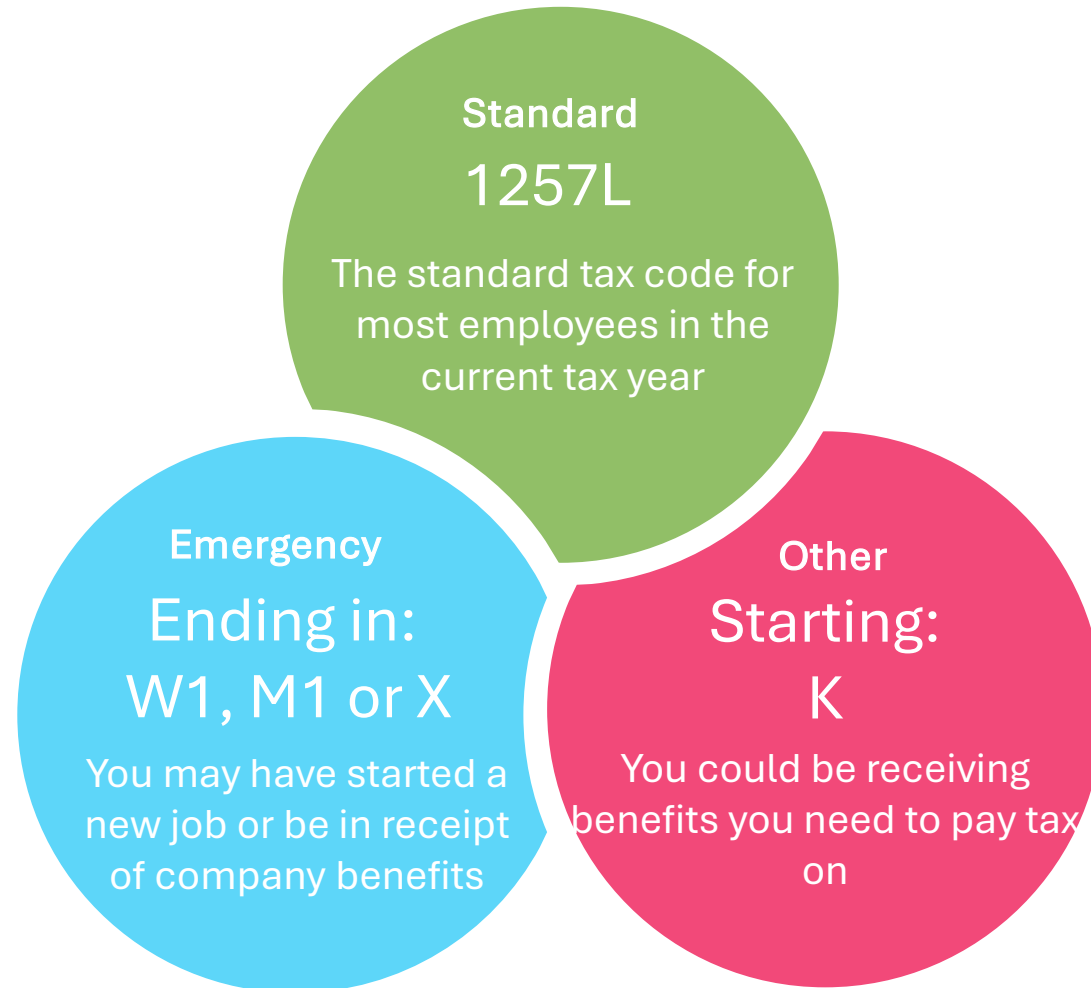
The Personal Allowance and higher rate tax bands are frozen until April 2031.

Example: a £50,000pa salary increasing by 4% each year




The frozen tax bands are likely to increase your tax costs, and may mean you pay tax at a higher rate

# Common tax codes



# How to fix an error

If you believe your tax code is incorrect you should contact HMRC.

 HMRC: Income tax: general enquiries



Webchat

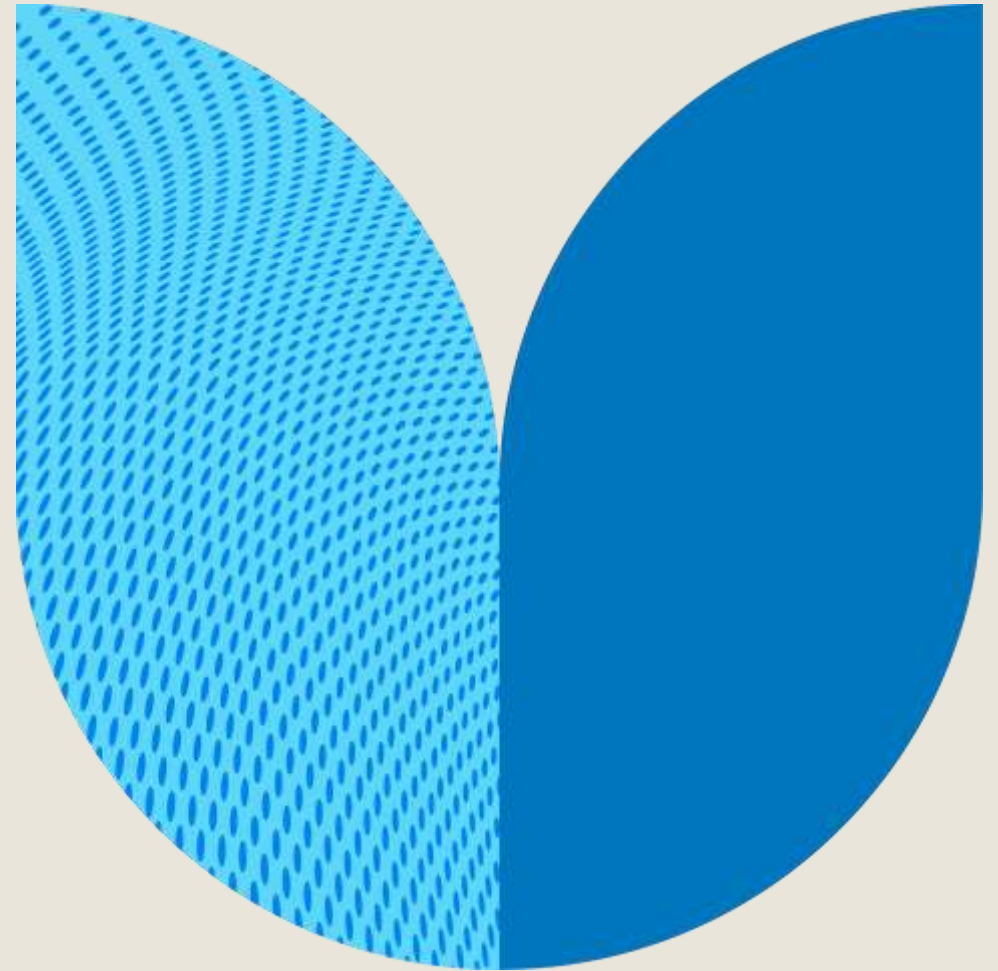


@HMRCcustomers (general enquiries only)



0300 200 3300

# Tax relief on your pension contributions



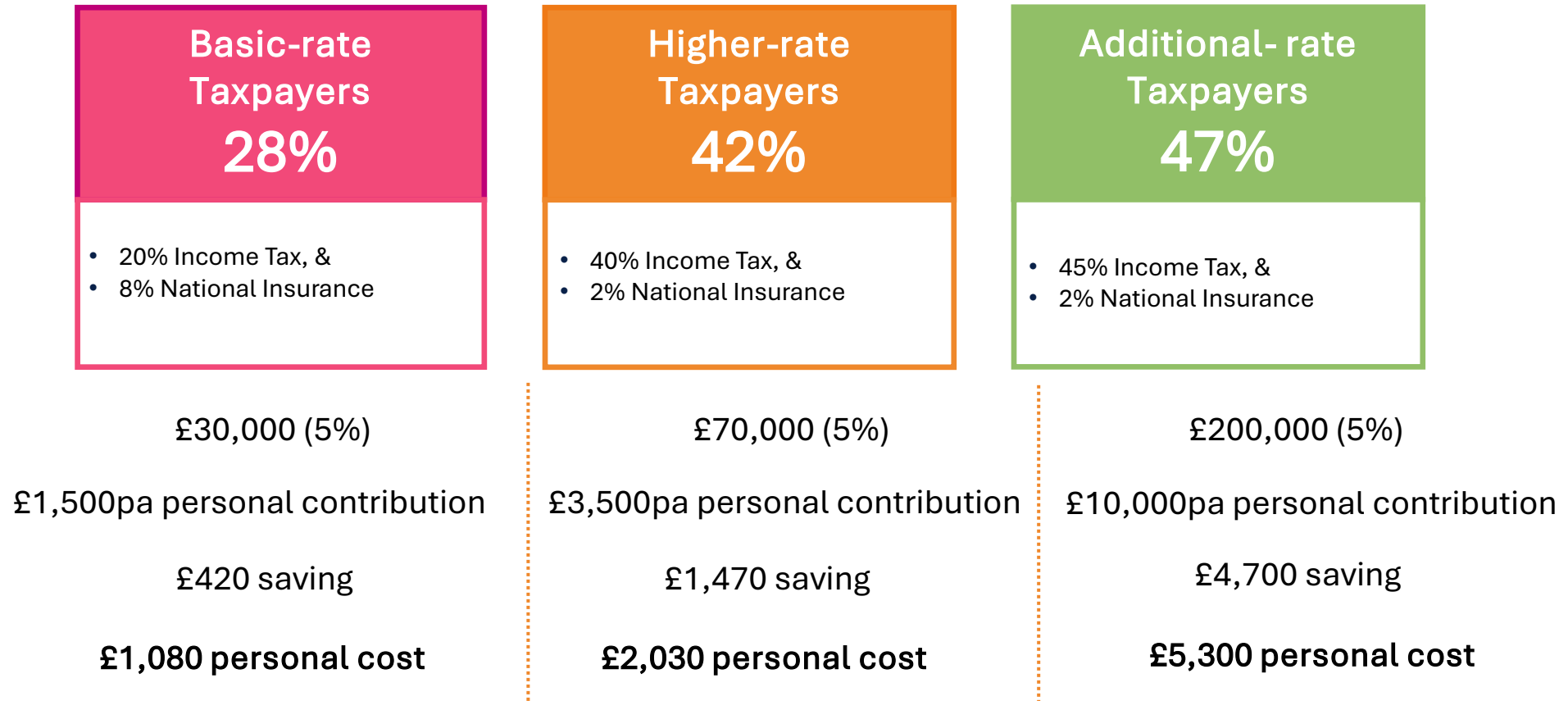
# GSK pension plan

Contributions				
GSK core contribution	Employee contribution	Your matching contribution	GSK's matching contribution	Total
7%	2%	0%	0%	9%
7%	2%	1%	1%	11%
7%	2%	2%	2%	13%
7%	2%	3%	3%	15%



Contributions are paid via Salary Sacrifice

# Salary sacrifice

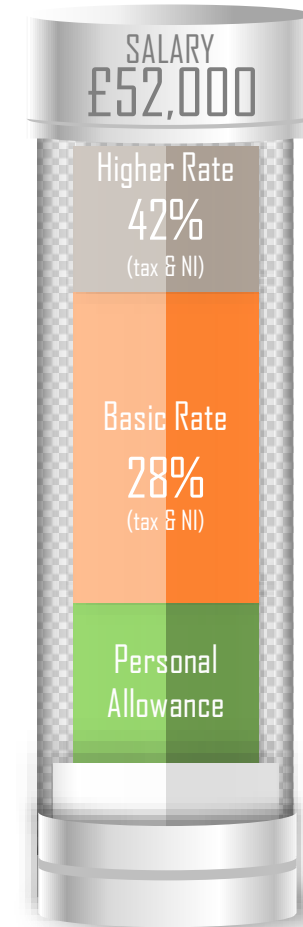


**+ receive up to 10% employer contribution from GSK**

Tax relief on pension contributions is limited to the greater of 100% of relevant earnings and £3,600.

# Managing your tax costs

GSK employee earning £52,000pa



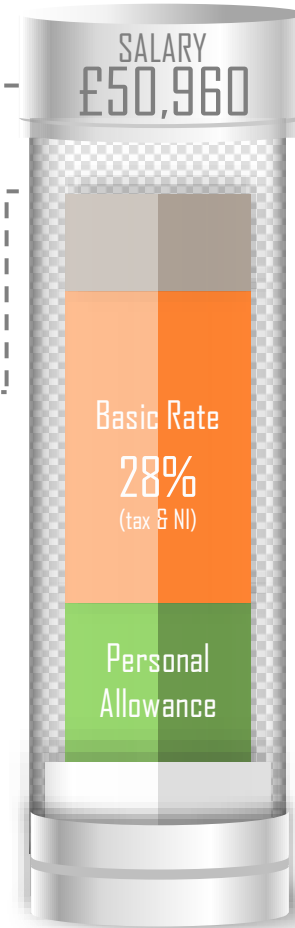
# Managing your tax costs

GSK employee earning £52,000pa

Paying the minimum GSKPP contribution of 2%

Fewer earnings in the higher rate tax band

No tax or NI on pension contributions\*



\*Subject to HMRC limits

# Managing your tax costs

GSK employee earning £52,000pa

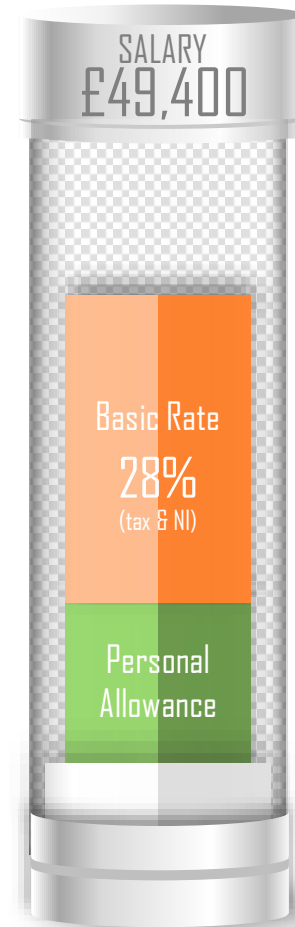
Paying the minimum GSKPP contribution of 2%

Paying a further 3% contribution means they are no longer a higher rate tax payer

GSK also pay a further 3% match contribution



If it's affordable, consider using any future salary increases to increase pension contributions



# Limits on tax efficiency

## Annual Allowance (AA)

- The annual allowance is £60,000\*
- This may be reduced if your total taxable income exceeds £200,000 or you flexibly withdraw taxable income from a DC scheme
- Carry forward may be available from up to the 3 previous tax years

## Limits on tax-free cash

- Lump Sum Allowance (LSA): The maximum tax-free cash is limited to 25% of the pension value, subject to a total cap of £268,275 (which is set to be frozen)
- Lump Sum and Death Benefits Allowance (LSDBA): The maximum amount of non-taxable lump sums that can be taken from a pension, set at £1,073,100.
- Those individuals who hold Life Time Allowance (LTA) protection will have allowances based on their protected LTA



**If you think you may be affected, ask about this on your follow up call**

\*Tax relief is only available on contributions up to the greater of 100% of relevant earnings or £3,600

# Actions to consider



Make the most of the GSK matching contributions

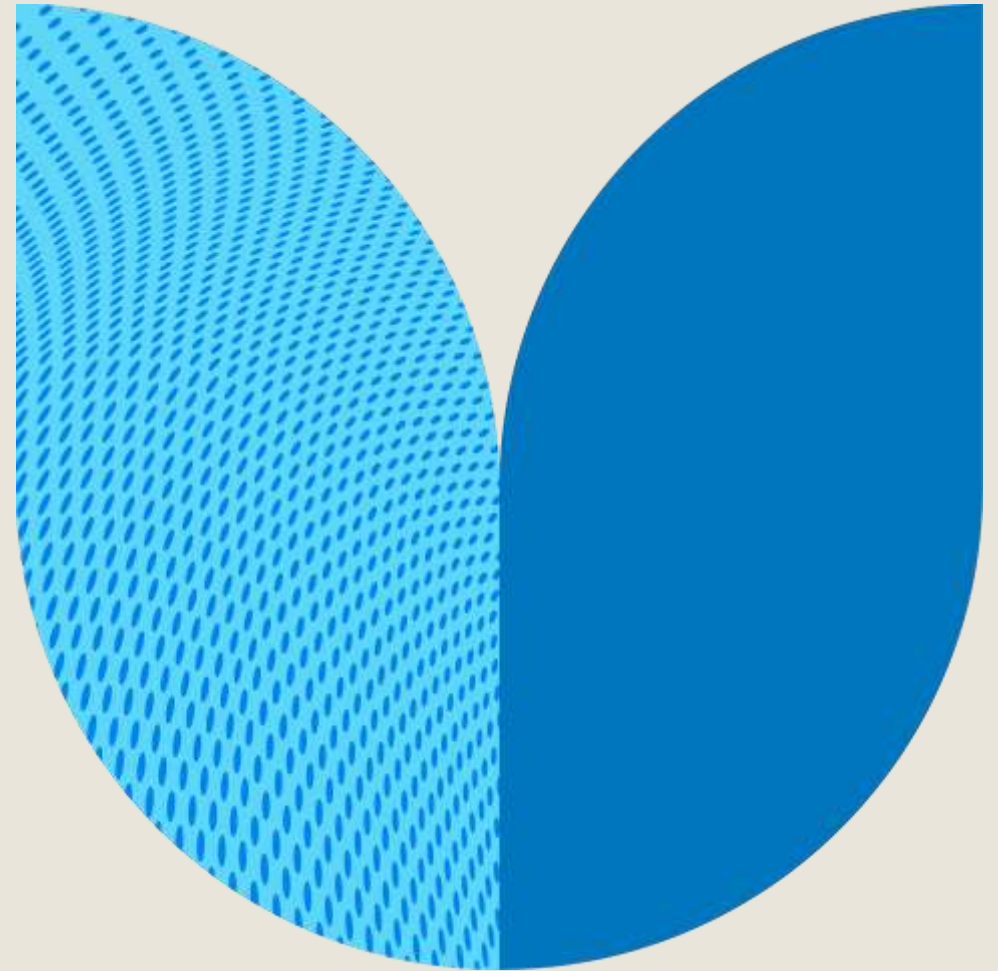


Contribute a one off lump sum (e.g. bonus)



Sacrifice salary increases into your pension

# Capital gains tax and other tax allowances



# Capital gains tax (CGT)

CGT is a tax on gains when certain investments are disposed of.



# Other tax allowances



# Tax on your savings interest

Increases in interest rates on savings may mean you exceed your Personal Savings Allowance (PSA) this tax year:

## 2022

Typical savings rate..... 1%pa

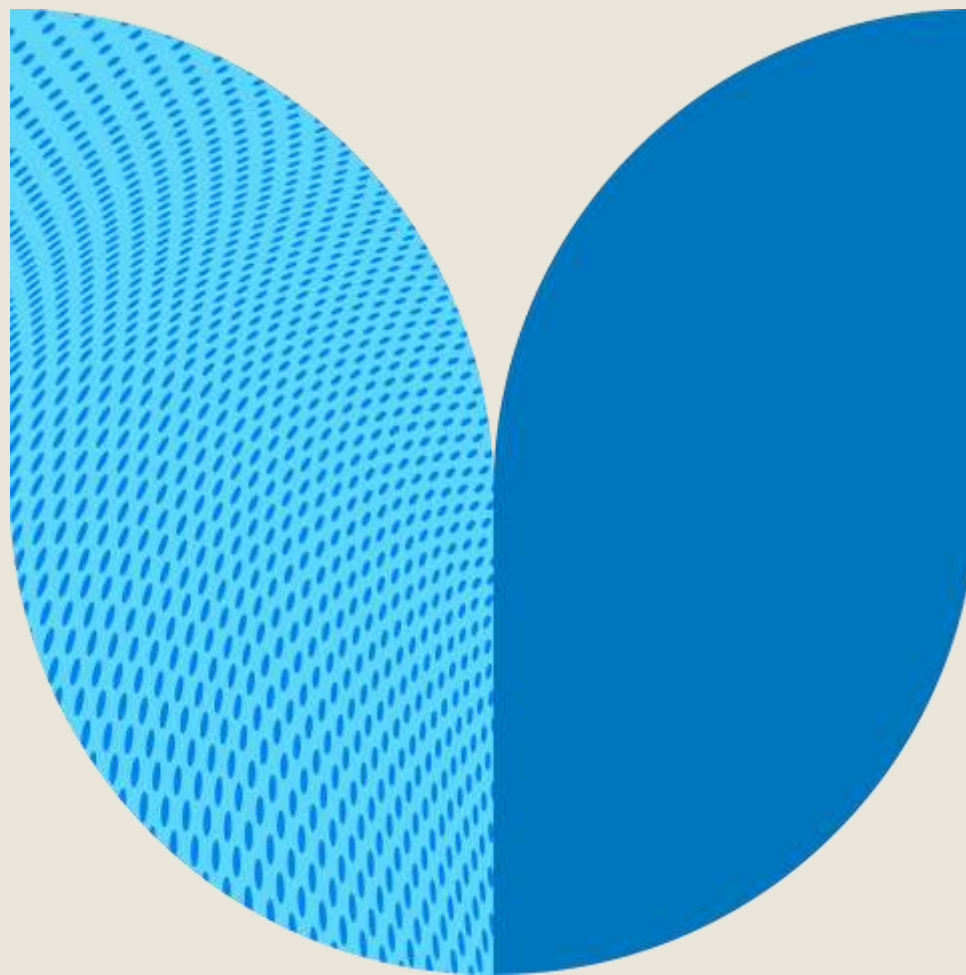
Savings needed to exceed PSA.....£100,000 or £50,000  
basic rate higher rate

## 2026

Typical savings rate..... 5%pa

Savings needed to exceed PSA.....£20,000 or £10,000  
basic rate higher rate

# Taking action with GSK shares



# Holding GSK shares

You may have acquired GSK shares through a number of different routes.

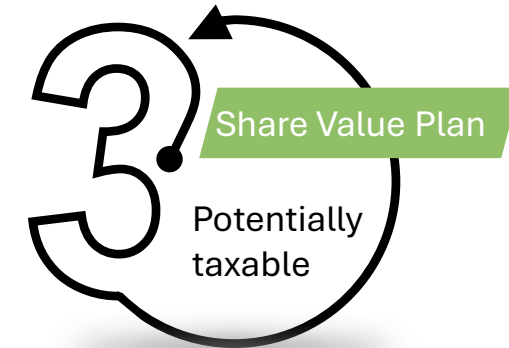


Shares held within Share Reward for 5 years can be accessed tax free



Shares bought via Share Save in the past can be accessed any time

Tax may be due on capital gains



After a 3 year 'vesting period' the shares become yours

Income Tax and NI will be deducted at this point

CGT may be due on future growth if you continue to hold the shares

# ISAs

Holding your shares in an ISA can enable diversification and protect you against a future tax charge.

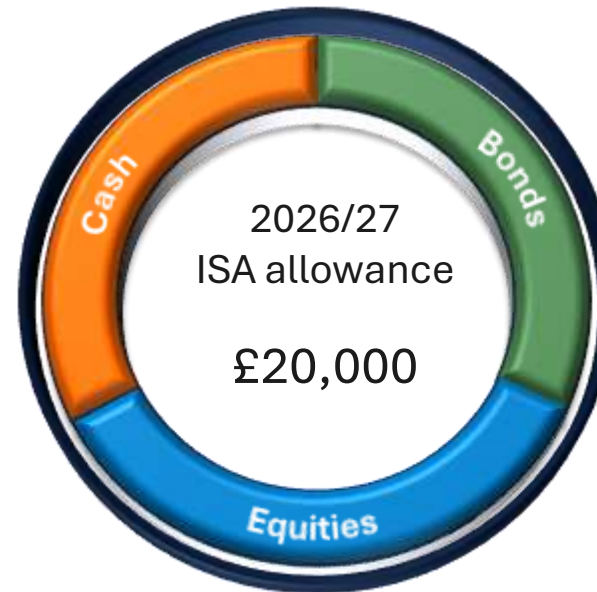
## Share Reward

Shares must come out of the plan when you leave GSK

## Share Save & Share Value Plan

Any shares acquired through these Plans are subject to tax on future growth

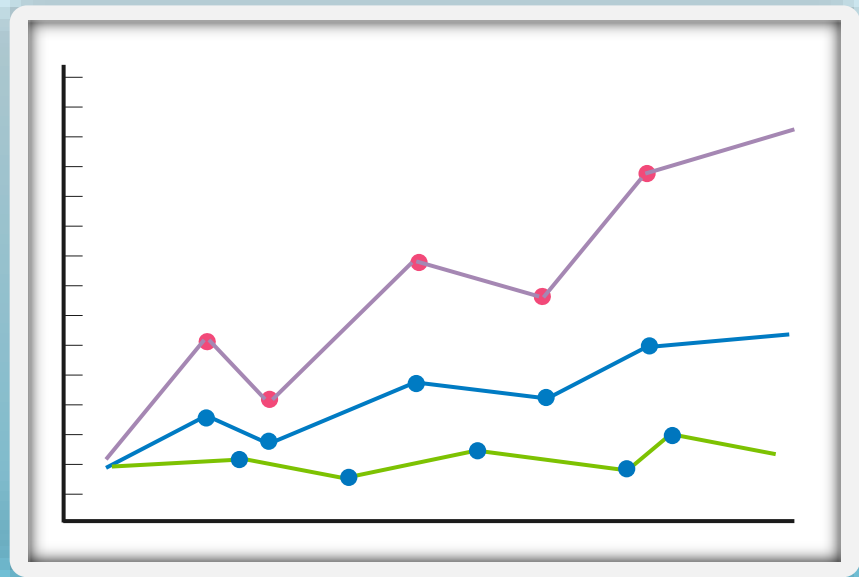
Protect shares from future tax liabilities



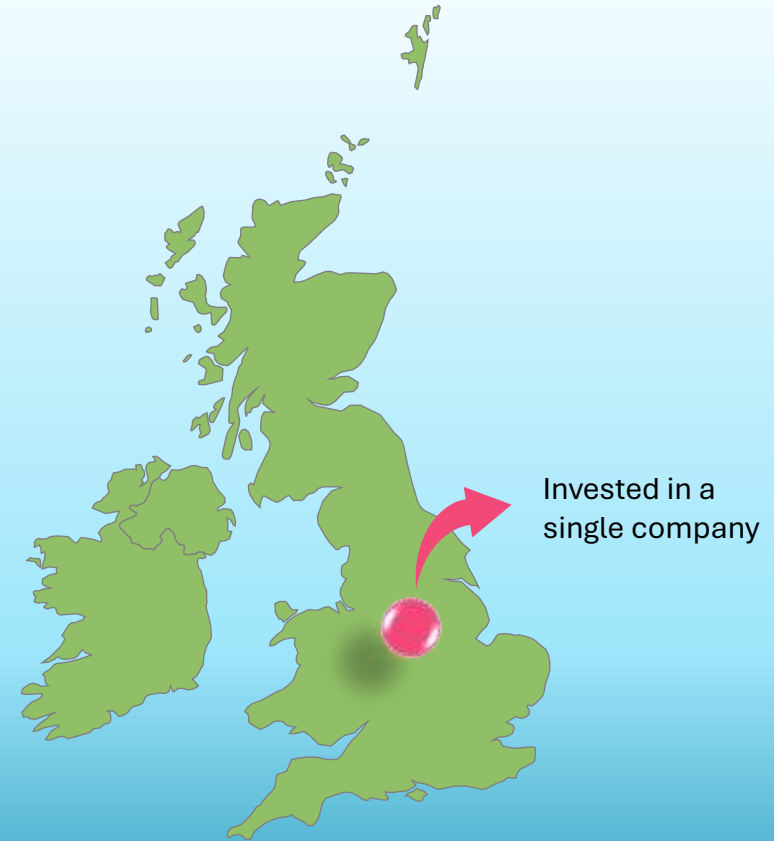
Diversify or hold cash

# Diversifying your investments

Exposed to the fortunes of one company

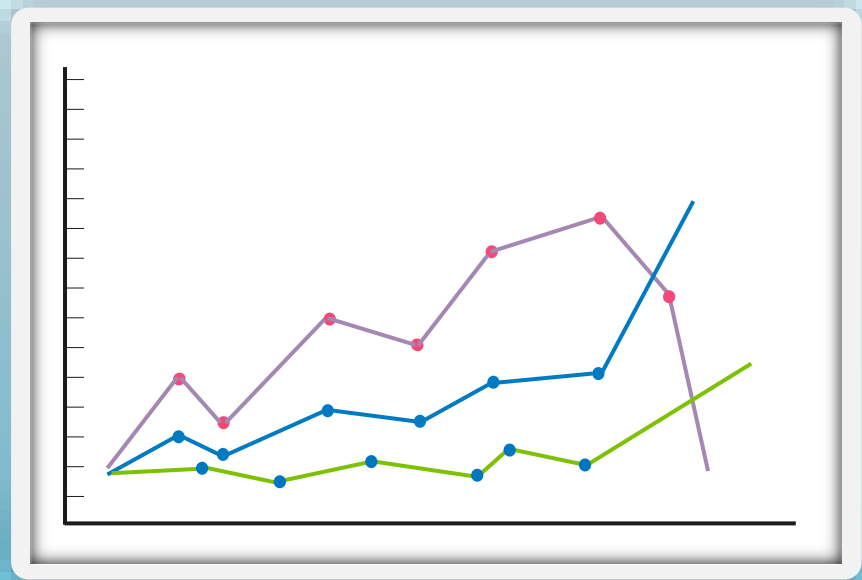


It's possible your investment could outperform others

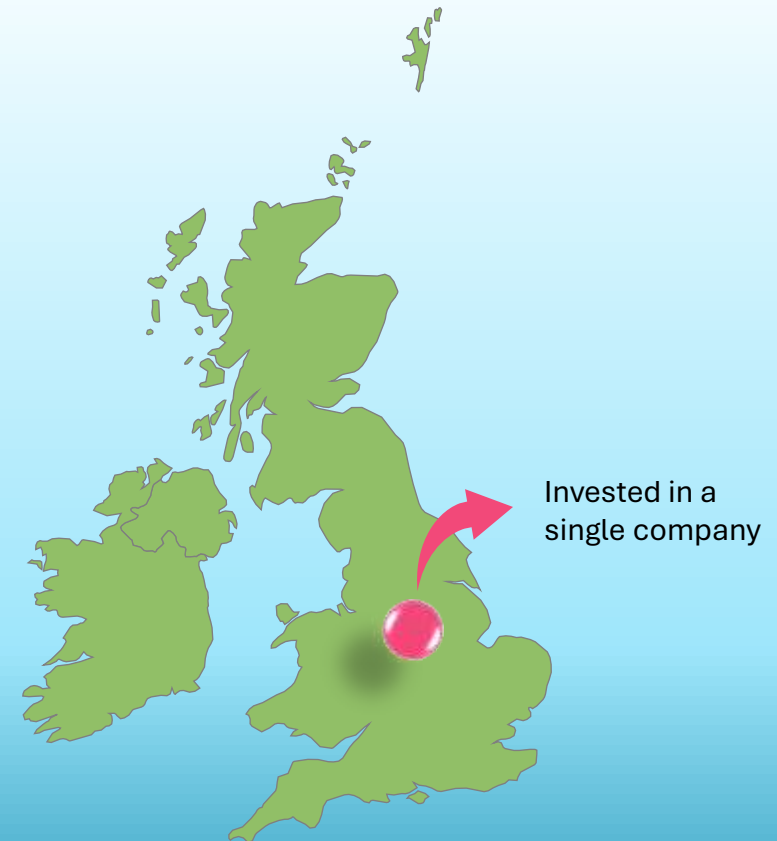


# Diversifying your investments

Exposed to the fortunes of one company

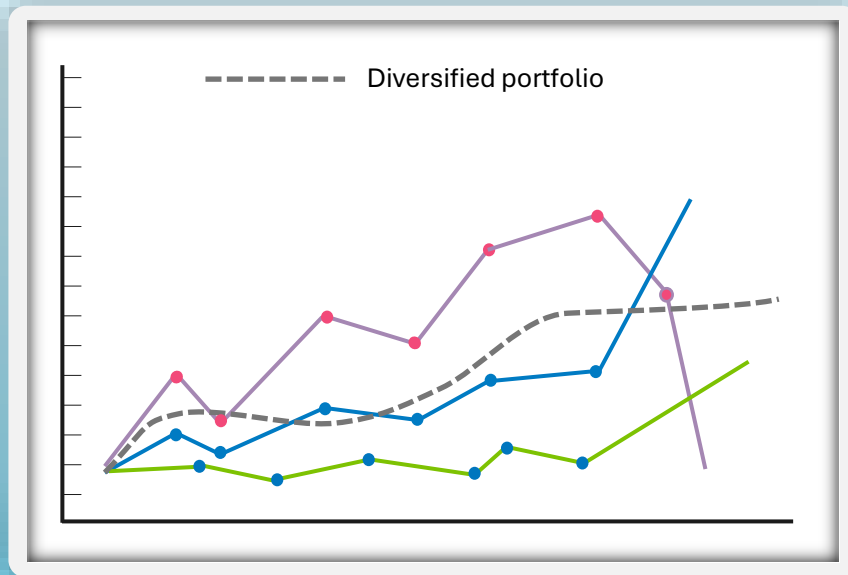


However there is no guarantee against a sudden loss

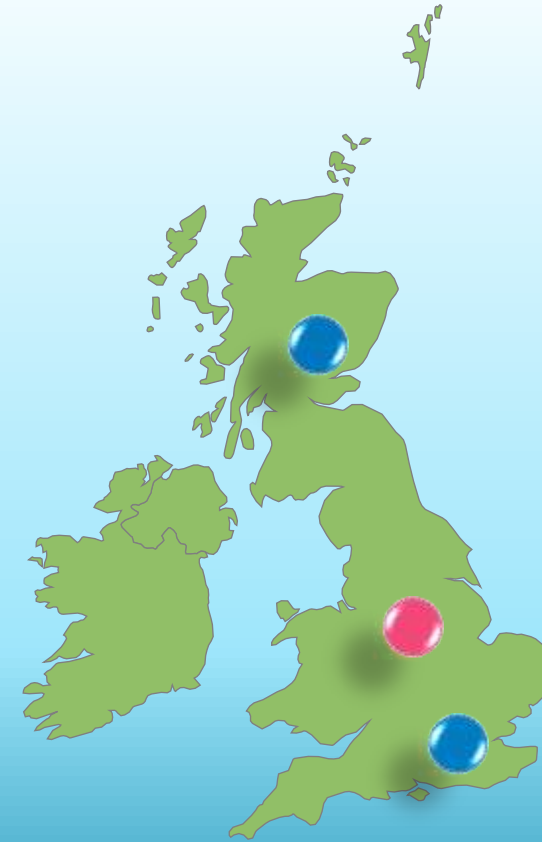


# Diversifying your investments

Investing in several UK based Companies



You could consider spreading your investment across several UK businesses.



# Diversifying your investments

Diversifying globally could reduce risk presented by a geographical area



# Diversifying your investments

Diversifying into different sectors and asset classes could reduce that risk further





# Taking action

- ✓ Consider how your tax costs may increase, with tax bands frozen until 2031
- ✓ Check your tax code is correct
- ✓ Work out how you may benefit from increasing your pension contributions
- ✓ Consider how your investments may be taxed
- ✓ Review your GSK share holdings, and make the most of your ISA allowance
- ✓ Get further help from the guidance call available to you

# Further information and guidance

The screenshot displays the GSK Total Reward website. At the top left is the GSK logo. The main header area is orange and contains the text "Total Reward" in white. To the right of the header are several utility icons: a "VALUES" toggle switch, a help icon, a shopping cart, a notification bell with a red dot, and a user profile icon. Below the header is a navigation bar with links for "Home", "Benefits", "Total Reward Statement", "Financial Fitness", and "Quick Links". The main content area features a large image of three smiling people. Overlaid on this image is a "Welcome Paul" message. A vertical orange sidebar on the right side of the page lists several links: "Share Reward/Share Save: Equiniti", "Share Save 2020 Maturity Guide", "Long Term Incentives: Computershare", "AXA Health Wellbeing Hub/Member Login", "Advice and assistance: Optum", "Total Reward Discounts", "Financial Education: Wealth at Work", and "Work + Family Space: My Family Care". At the bottom of the page, there are two white boxes. The first is titled "Total Reward Statement" and contains the text: "The chart breaks down the full remuneration package you receive from the company." The second box is partially visible and titled "Navigation tips".

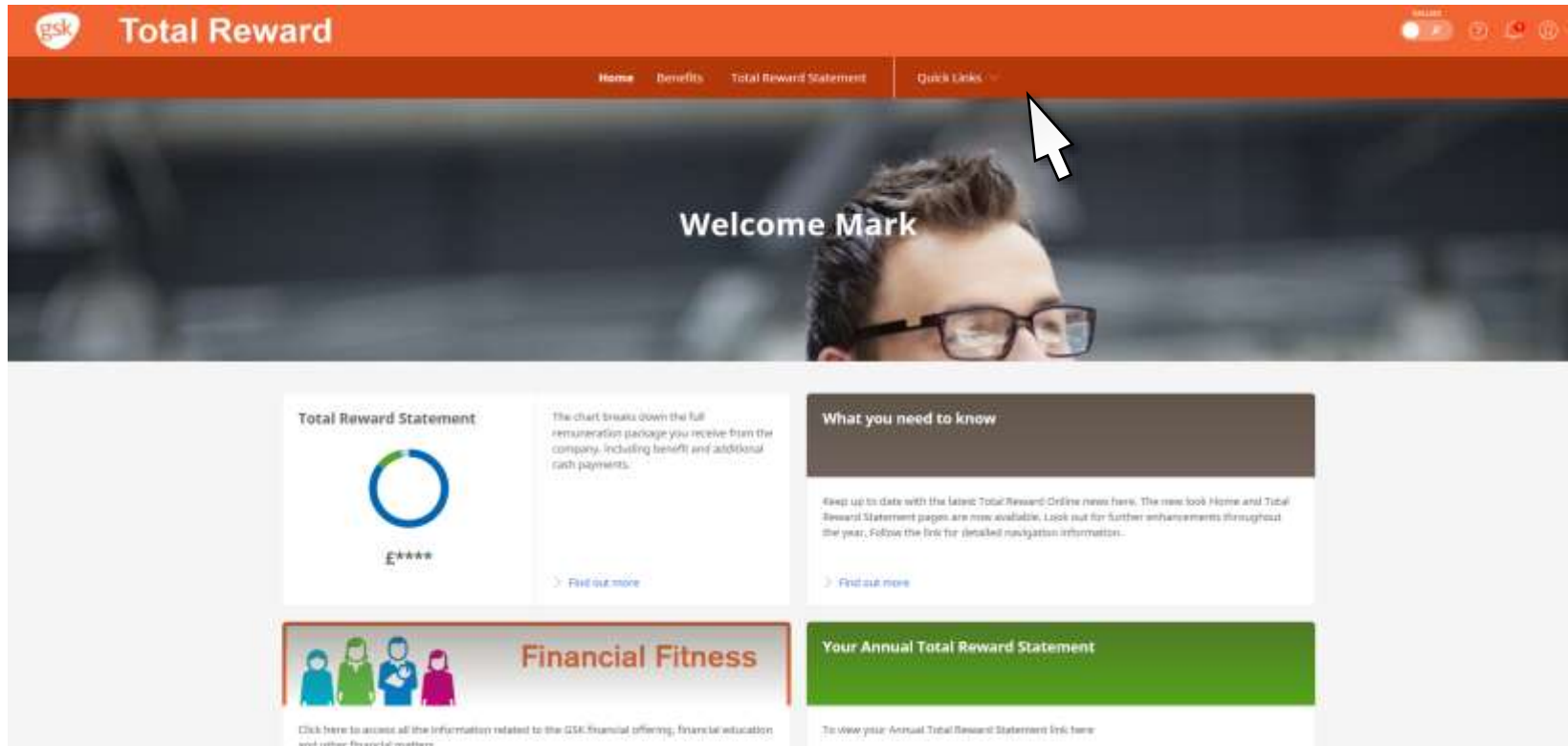
# Your webcasts



The screenshot shows the top of the WEALTH at work GSK website. The header includes the WEALTH at work logo (part of the Wealth at Work group) and the GSK logo. A navigation menu contains: HOME, YOUR SEMINARS & WEBINARS, YOUR WEBCASTS (highlighted), FURTHER INFORMATION, NEWS, CONTACT, and a search icon. The main content area has a dark blue banner with the text 'your webcasts.' Below this is a photograph of a person in a white shirt working at a desk with a laptop, a smartphone, and a cup of coffee. To the right of the photo, the text reads: 'We recognise that for some of you, being able to access financial education material in your own time is important. The webcasts support the learning from online seminars and webinars, and provide information about your GSK benefits and other key subjects which may help with your financial planning. There are 3 webcasts for you to choose from. Please click on the links below to learn more:' followed by a bulleted list: '• An Introduction to Total Reward', '• Pension tax allowances', and '• Pension flexibilities'. At the bottom, it says 'Please click to access tax fact sheets with 2023/24 tax year figures.'

Go to [www.totalrewardonline.co.uk](http://www.totalrewardonline.co.uk) from work or home using your MUD ID and password

# Further information and guidance



The Financial Fitness Hub is also available from Total Reward online. Clicking on the “Financial Fitness” tile will take you through to the Financial Fitness Hub.

# Further information

## **Total Reward information on Connect GSK**

Provides general information about how the Total Reward plans work.

Go to the UK HR page on Connect GSK.

## **Total Reward Online**

The home of your personalised Total Reward information, where you enrol or make any changes to your Total Reward and can link to benefit administrator websites including WEALTH at work for financial education.

Go to [www.totalrewardonline.co.uk](http://www.totalrewardonline.co.uk) from work or home using your MUD ID and password.

## **Questions About Your Total Reward Benefits**

For any questions about your Total Reward, please contact ServiceNow

# Further information and advice

## **Personal budgeting and setting goals**

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

## **State Pensions, Income Tax and ISAs**

[www.gov.uk](http://www.gov.uk)

[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

## **Financial Advice**

Your existing adviser, Origen, Chase de Vere, my wealth

# Seeking regulated financial advice

- Please note, this session provides education and information only and does not include or constitute financial advice.
- GSK has undertaken due diligence on Wealth at Work Limited in the provision of education and guidance services only. Wealth at Work Limited (trading as 'my wealth') offers regulated investment advice. GSK recommends that if you need regulated financial advice, such advice is available from a range of sources, details of which are available from the financial conduct authority at [www.fca.org.uk](http://www.fca.org.uk). GSK is not endorsing nor has undertaken due diligence on Wealth at Work Limited (trading as 'my wealth') for the provision of regulated financial advice.
- Wealth at Work Limited trades as both 'my wealth' (when providing guidance and investment advice) and 'WEALTH at work' (when providing education).

**WEALTH at work**

part of the Wealth at Work group

# Thank you

0800 028 3200

[www.wealthatwork.co.uk/mywealth](http://www.wealthatwork.co.uk/mywealth)

