

Will future pay rises be affected by Smart pensions?

Pay rises will be based on your basic pay, your gross salary before the Smart pension salary exchange amount.

Will the reduced basic pay be used for my loan/mortgage reference from Hanson?

Hanson will provide references based on your basic pay, your gross salary before the Smart pension salary exchange amount.

Will my Death in Service be based on the salary exchange amount?

Your Death in Service payment will be based on your basic pay, your gross salary before the Smart pension salary exchange amount.

How will my additional voluntary contributions (AVCs) be treated?

These are included as part of the salary exchange amount.

How will holiday pay calculations for the hourly paid be affected by the salary exchange agreement as this is at present calculated from the annual gross pay?

This will be based on your basic pay, your gross salary before the Smart pension salary exchange amount.

Will overtime be included in the smart pension calculations?

Yes, this is a pensionable pay element and will be included in the salary exchange amount.

What guarantee do we have should we opt into the scheme that the company will not reduce either of the contributions or take a pension payment holiday?

The salary sacrifice arrangement is a change to employment terms, and is as binding on the company as it is on you. Whilst you are in the scheme, the company is obliged to pay the contributions into the pension scheme because of the terms of your contract.

Will the company continue to pay the same amount of contributions in the future and what guarantees do we have they will not amend it in the future?

Whilst the SMART scheme operates for you, the company must make the contributions that you would otherwise have made into the pension scheme. If the company considers changing the employer and employee contributions to the scheme in the future, you will have a choice either to agree to the new contribution rate or to go back to the existing system, where you make your own contributions from your salary, which is a higher amount.

At present when you draw your pension you pay tax as it is taken from your salary prior to paying tax. Will this apply to NI as well? If in x years have to pay tax and NI on the pension being drawn this may be a disadvantage as the government could change the % of NI contributions.

The SMART arrangement won't in any way effect the tax that has to be paid when you draw your pension. You will pay tax on that in the same way whether or not you are in the SMART arrangement.

I don't pay National Insurance Contributions as I am over age 65. What do I need to do?

This is up to you. You will not make any savings if you participate in Smart pensions however the company will. If you wish to opt out you will need to send an opt-out form to Lisa Painter, HR, Chipping Sodbury by 20th November 2013.

What will my payslip look like when the Smart pension salary exchange amount is introduced?

Here is an example of what a payslip will look like after Smart pensions is introduced

Main	Allowances	Deductions	Costing/Memo	Year To Date	Payments
Mthly Salary		3,201.10	Tax		546.20
Pens Sal Sac		- 160.06	National Ins		288.84
Gross Pay		3,041.04	TotalDeducts		835.04
GrossTaxable		3,041.04	Net Pay		2,206.00