

Salary Sacrifice

All members will automatically pay contributions to the pension scheme under the Schools salary sacrifice arrangement unless you actively took measures to opt out of this arrangement.

This is a scheme that has been in place at the School since 01 July 2009 and is also operating successfully in other major UK universities.

What is “salary sacrifice”?

A salary sacrifice arrangement is a method of saving on National Insurance contributions and therefore increasing employees monthly take home pay.

This works by a deduction being made to your monthly salary equal to the pension contribution amount that you are required to pay to the pension scheme.

The School then pays the contribution amount due directly to the scheme on your behalf, meaning that this is viewed as an employer contribution.

As this amount is not paid as salary to you, no National Insurance contributions are payable on this amount.

If you were not paying contributions via a salary sacrifice arrangement, you would be required to pay N.I. contributions on the contribution amount paid to you as salary before the pension contributions are then calculated and paid to the pension scheme.

How do I know if I am already participating in salary sacrifice?

If you are an existing member of the pension scheme and are unsure whether your contributions are paid via the salary sacrifice arrangement, then you can refer to your payslip.

Members participating in the salary sacrifice arrangement will have their contribution amounts annotated as “Salary Sacrifice” and these amounts will be listed as deductions to your basic salary on the left hand side of your payslip.

Any member who has opted out of the salary sacrifice arrangement will not have any pension deductions shown on the left hand side of their payslip under their basic salary amount and there will be no reference to “salary sacrifice”.

Prior to April 2016 the wording on the payslips would refer to “Plus” as opposed to “salary sacrifice” as this is the name given to the School’s salary sacrifice arrangement.

What if I don't want to participate in salary sacrifice?

Your Terms and Conditions include an agreement to enter into a salary sacrifice agreement under which to pay pension contributions. Unless you elected to amend these terms upon commencement of your employment, you retain the right to opt out of the salary sacrifice arrangement for paying pension contributions on each anniversary date of the arrangement (01 July).

You will need to contact the [Pensions Team](#) who will arrange with HR for an amendment to be issued to your Terms and Conditions of employment, which you will be required to sign.

An exception to the 01 July date may be made if you experience a 'lifestyle change event'. These include notification or commencement of family leave and significant changes in working hours. In these cases, and subject to the agreement of the School, you may opt in or out of the salary sacrifice arrangements at a time other than the usual 01 July anniversary date.

Are additional contributions paid via salary sacrifice?

Additional contributions to SAUL are not currently permitted to be paid via salary sacrifice.

For USS members electing to pay further additional contributions, you will be given the option whether or not you wish these to be paid via salary sacrifice.

You are able to make regular monthly additional contributions via salary sacrifice but the School cannot accept lump sum additional contributions to be payable via salary sacrifice.

Please note that you will not be able to sacrifice any part of your salary which takes you below the National Minimum Wage amount when taking into consideration any other salary sacrifice arrangements in which you may be participating (i.e. child care voucher and cycle scheme).

The School must pay you a salary at least equal to the National Minimum Wage requirements after all salary sacrifice deductions have been accounted for.

You will be informed if it is not possible to apply the level of salary sacrifice which you have requested to make in any month.

Are there any circumstances under which I may not wish to participate in salary sacrifice?

This is entirely a personal decision and you should seek independent financial advice if you are unsure about this.

It may not be advantageous to you if your basic pay is close to the [Lower Earnings Limit](#) and the salary sacrifice will reduce your adjusted pay to below the Lower Earnings Limit.

If you are a member of the USS scheme or the SAUL Defined Benefit scheme and plan to leave the pension scheme with between 3 months and 2 years pensionable service then members not in the salary sacrifice arrangement may have the option of a refund of any contributions paid, less tax.

For members of the USS scheme or the SAUL Defined Benefit scheme, if you are participating in the salary sacrifice arrangement, you can only receive a refund of any pension contributions paid if you opt out of membership within the first three months from joining. After this, you become entitled to pension benefits within the scheme. Please refer to the "Leaving the Scheme" section within either the **SAUL** or **USS** section of this site.

For members of the SAUL Start (Defined Contribution) section of the scheme, it is not permissible to obtain a refund of any contributions paid into the scheme after the first 30 days of membership, regardless of whether or not contributions are paid via the salary sacrifice arrangement.