Mintago

Payslip Breakdown

Salary sacrifice pension savings

Payslip Comparison

Net Pay Arrangement

Example Employee Details

Tax Code	Annual salary	Monthly salary	Employee pension contribution	Employer pension contribution	Pensionable Earnings Basis
1257L	£30,000	£2,500.00	5%	3%	Qualifying Earnings*

* pensionable earnings between £520 and £4,189pm

BEFORE SALARY SACRIFICE

Pension deducted **before** tax, but **after** NIC consideration

Payments (£)		Deductions (£)	
Gross salary	2,500.00	Tax	270.60
		National Insurance	116.16
		Employee pension	99.00
Gross pay for tax	2,401.00	**Net Pay**	**2,014.24**
Gross pay for NIC	2,500.00		
Employer NIC	£312.50		
Employer pension	59.40		

AFTER SALARY SACRIFICE

Pension deducted **before** tax **and** NIC consideration

Payments (£)		Deductions (£)	
Gross salary	2,500.00	Tax	270.60
Salary Sacrifice	-99.00	National Insurance	108.24
		Employee pension	99.00
Gross pay for tax	2,401.00	**Net Pay**	**2,022.16**
Gross pay for NIC	2,401.00		
Employer NIC	297.65		
Employer pension	158.40		

Gross Pay reduced by **£99**

NI: **£7.92 less**

Gross Pay for NI: **£99 less**

Employer NIC: **£14.85 less**

Employer Pension: **£99 more**

Net pay: **£7.92 more**

The Results

Employee: National Insurance **saving of 8%** on pension amount

Employer: National Insurance **saving of 15%** on employee pension amount

Payslip Comparison

Relief at Source

Example Employee Details

Tax Code	Annual salary	Monthly salary	Employee pension contribution	Employer pension contribution	Pensionable Earnings Basis
1257L	£30,000	£2,500.00	5%	3%	Qualifying Earnings*

* pensionable earnings between £520 and £4,189pm

BEFORE SALARY SACRIFICE

Pension deducted **after** tax and NIC consideration

Payments (£)		Deductions (£)	
Gross salary	2,500.00	Tax	290.40
		National Insurance	116.16
		Employee pension	79.20
Gross pay for tax	2,500.00	**Net Pay**	**2,014.24**
Gross pay for NIC	2,500.00		
Employer NIC	312.50		
Employer pension	59.40		

AFTER SALARY SACRIFICE

Pension deducted **before** tax **and** NIC consideration

Payments (£)		Deductions (£)	
Gross salary	2,500.00	Tax	270.60
Salary Sacrifice	-99.00	National Insurance	108.24
Gross pay for tax	2,401.00	**Net Pay**	**2,022.16**
Gross pay for NIC	2,401.00		
Employer NIC	297.65		
Employer pension	158.40		

Gross Pay reduced by **£99**

Gross Pay for NI: **£99 less**

Employer NIC: **£14.85 less**

Tax: **£19.80 less**

NI: **£7.92 less**

Net pay: **£7.92 more**

Employer Pension: **£99 more**

The Results

Employee: Pension **increased by 20%** | Tax **reduced by 20% (40% or 45%** if higher rate taxpayer) | NI **saving of 8%** on pension amount

Employer: National Insurance **saving of 15%** on employee pension amount