

# Case Study

## Salary Sacrifice

Sector: Financial Services

Employees: 580+

### The facts

Our client is an independent investment management firm based in Scotland.

Having closed their Defined Benefit scheme to new hires, the client consulted on potential Defined Contribution (DC) options for employees. Following the guidance of their appointed employee benefit adviser they established a trust based DC scheme. Within 18 months they concluded that they had taken the wrong option and appointed Johnson Fleming to design and manage a migration to a replacement contract based plan.

The client wanted to continue to play an active role in ensuring the pension arrangement was a valued benefit in their employees' reward package and introduce Salary Sacrifice to maximise tax and National Insurance efficiencies.

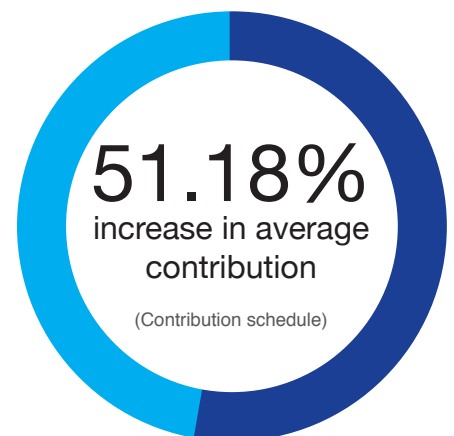
### The action

Having conducted a series of employee forums to clarify members' requirements, a replacement Group Personal Pension arrangement was introduced. Johnson Fleming negotiated the addition of a number of the client's own investment funds to the investment platform.

Over a period of 6 weeks, members were provided with group and one-to-one presentations, to explain the changes to their company pension arrangement and the benefits of Salary Sacrifice. Each member was provided with additional education around the decisions they needed to make to plan effectively for their retirement.

### The outcome

- Salary Sacrifice was effectively introduced.
- Following implementation, average employee contributions increased by 51.18% due to the introduction of Salary Sacrifice and improved communication to help members understand the importance of pension planning. (Average contribution before - £419.80, average member contribution with Salary Sacrifice £634.66).
- Employer had a National Insurance saving of £12,316 per annum.



## Johnson Fleming

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