

# CASE STUDY



## SALARY SACRIFICE

A firm we look after with 160 employees have their workplace pension scheme with Aviva. We provide support services for the scheme including a written annual Governance report (health check) and periodic review presentations to their staff.

As a result of a review, we were appointed to add salary exchange to the pension scheme. The attraction is a reduction in payable National Insurance contributions for both employer and employee. In this case, the NIC saving for the employer was over £20,000 – a year.

We've seen a prolonged period of low inflation and positive capital growth. That has changed, with spiralling inflation, upward pressure on interest rates and a seemingly inevitable recession on the near horizon – many companies will look to review their operating costs to make savings. Introducing salary exchange to their pension scheme is an efficient way to deliver such cost savings.

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