

## The L&Q Housing Trust Staff Benefits Plan

### Salary Sacrifice

L&Q only operates a salary sacrifice payment scheme for the L&Q Housing Trust Staff Benefits Plan.

#### Salary Sacrifice explained

Under the Salary Sacrifice arrangement, you will give up an amount of your salary equivalent to your Member Contribution in exchange for L&Q making that contribution to the pension in addition to our own Employers' contribution.

Your payslip will still show the original higher salary before "sacrifice" and the reduction will show as a deduction below that figure. Your new salary will be shown as your "Actual Salary" and this is the amount that you will receive through the payroll. There will be no adverse financial impact for you (unless your state benefits are affected, as explained below) as the amount of salary sacrificed is offset by you not having to pay the Member Contribution from your salary at source.

The total amount paid into the Staff Benefits Plan or Housing Trust Scheme on your behalf will remain at the same level, with the full liability being paid by L&Q.

Although part of your salary has been "sacrificed" under this arrangement, for **all other contractual purposes**, for example pensionable accrual and benefits, overtime, future salary increases and calculating contractual redundancy pay, you will maintain your salary at its pre-sacrifice level. This will be called your "Pensionable Earnings".

Your "Pensionable Earnings" will increase in line with any cost of living, increments or other salary increases that are awarded. Depending on which Scheme you are in the amount of salary sacrificed will change with changes in your Pensionable Earnings and specific scheme rules.

#### National Insurance Contributions savings

This Salary Sacrifice arrangement will mean that the amount of Employee National Insurance Contributions which you currently pay will be reduced.

This may have an impact for some employees in terms of current and future entitlement to state benefits and tax credits where entitlement is based on the amount of NICs that an employee pays.

#### Opting out

If you do not want to pay your contributions via the Salary Sacrifice Scheme you must inform the Payroll and Pensions team at the point of applying for the L&Q Housing Trust Staff Benefits Plan.

If you are already within the L&Q Housing Trust Staff Benefits Plan you may opt out or opt in (depending on whether you opted out previously) once a year on 1 April. You will be sent a notification of your current arrangement and you need only reply if you would like to change your

arrangement. Other than 1 April you may only change your arrangement if you experience a change in circumstances that would constitute a Lifetime Event.

Examples of Lifetime Events (which are determined by L&Q) would be:

- Marriage or Divorce
- Birth of a child, going on maternity leave or return to work following maternity leave or other long-term absence
- Material change in circumstances for yourself or your partner
- Reaching state retirement age

If you wish to opt out of the salary sacrifice arrangement because of a Lifetime Event then you should speak to the Payroll and Pensions department.