

# SMART <sup>£ £ £</sup> and your pension



together   
we are  
Sainsbury's



# What is SMART?

SMART is a salary sacrifice arrangement which increases your take-home pay by reducing your National Insurance contributions.

We also make a saving.

## How does SMART work?

1. You give up some of your pay into the Plan.
2. We then pay this amount into the Plan together with our own contributions.
3. This reduces the pay that's used to work out your National Insurance, so you pay slightly less.
4. The same amount is paid into your pension pot but it all comes from us.
5. Your take-home pay is higher with SMART than if you pay contributions.

## How much can I save using SMART?

Our cost calculator shows you how much it costs to be in the pension and how much you can save by using SMART too.

Go to [www.jspensions.co.uk](http://www.jspensions.co.uk) or click here.



# How do I join using SMART?

If you choose to join the pension, we automatically include you in SMART unless you tell us that you don't want to be included.

If you don't want to be in SMART, call Ask HR on 08000 15 30 30, quoting your employee number.

This is a change to your terms and conditions of employment effective from the date you join the pension.

Nearly all colleagues will benefit from SMART, but there are some situations where we can't completely protect colleagues.

- If you earn less than the Pay Protection Limit, we'll take you out of SMART automatically and instead you'll pay contributions from your pay. The Pay Protection Limit is £1,040 each period if you're paying **Step Up** contributions and £1,020 each period if you're paying **Start Up** contributions.
- If being in SMART takes your pay below the National Minimum Wage/ National Living Wage, we'll take you out of SMART automatically and instead you'll pay contributions from your pay.
- If you earn less than £1,150 each pay period, being in SMART can reduce the amount you can pay into the Sainsbury's Share Saving Plan. If this is the case, you can choose (this is not automatic) to pay contributions instead of SMART to maximise the amount you can pay into the Sainsbury's Share Saving Plan.

Your pension builds up in the same way whether you're in SMART or pay contributions.



# Will I be in **SMART** if I'm automatically enrolled into the pension?

Government rules for all employers mean that if you're not in a Sainsbury's pension, we'll automatically put some of your pay into the pension if you meet certain conditions.

We'll take contributions from your pay after tax for the first three pay periods. From the fourth pay period onwards, you'll automatically be in SMART.

To find out more about Pensions Automatic Enrolment, visit [www.jspensions.co.uk](http://www.jspensions.co.uk)

## Can being in **SMART** affect my pay?

Salary sacrifice reduces your pay, so we use your pay before the salary sacrifice to calculate salary-related company benefits. This means SMART won't reduce any company benefits which would normally be based on your pay – including pay increases, sick pay, maternity pay, redundancy compensation and death benefits.



# Can being in SMART affect my State benefits?

SMART may affect:

- Statutory Maternity Pay
- Statutory Adoption Pay
- Statutory Sick Pay
- Statutory Paternity Pay.



We'll take you out of SMART if you receive any of these benefits and instead we'll take pension contributions from your pay.

If you stop receiving these benefits, we'll then put you back into SMART.

# Can being in SMART affect my tax credits?

Any tax credits such as child tax credit or working tax credit you receive may be affected, as the total pay shown on your P60 will be lower than if you weren't in SMART. Your P60 will show your total pay less the amount you've sacrificed.

If you're unsure of the effect on your tax credits, check on [www.gov.uk](http://www.gov.uk)



# Taken out of SMART?

If you earn less than the Pay Protection Limit, we'll take you out of SMART automatically and instead you'll pay contributions from your pay. The Pay Protection Limit is £1,040 each period if you're paying Step Up contributions and £1,020 each period if you're paying Start Up contributions.

## How will SMART affect my income tax position?

### Basic rate taxpayers

SMART will not affect your income tax.

### Higher rate taxpayers

SMART will not affect the amount you pay; however, instead of having to reclaim any higher rate tax relief through your tax return, you'll get it immediately.



# Does **SMART** affect the amount I can pay into my pension?

The maximum contribution which you can make to your pension without paying extra tax changes from year to year. The maximum limit for most people is your total taxable earnings each year. There are new limits for higher earners (go to [www.jspensions.co.uk](http://www.jspensions.co.uk) for further information on whether you are affected).

Being in SMART will reduce the amount you can pay only if you want to contribute your total pay as this amount is reduced by the amount you have sacrificed.

If you wish to pay close to the maximum allowance, you may wish to consider opting out of SMART or getting financial advice. You can find independent financial advisers in your area at [www.unbiased.co.uk](http://www.unbiased.co.uk).

