

Salary Sacrifice Policy



DATE OF REVIEW: NEW POLICY

DATE OF APPROVAL: 24.09.2024

DATE OF NEXT REVIEW: SEPTEMBER 2027

Purpose of the policy:	To establish DPHA's policy and set out the Association's position on salary sacrifice for pension payments
Guidance used for developing the policy:	EVH model policy
Policy complies with the following Regulatory Standards:	Standard 2 - The RSL is open and accountable for what it does. It understands and takes account of the need and priorities of its tenants; service users and stakeholders and its primary focus is the sustainable achievement of these priorities. Standard 3 - The RSL manages its resources to ensure its financial well-being and economic effectiveness. Standard 5 - The RSL conducts its affairs with honesty and integrity.
Policy is linked to the following DPHA policies	EVH Terms & Conditions Pensions Policy Equality and Diversity Policy Privacy Policy Grievance Policy
Date policy last reviewed:	New Policy
Date revised policy approved by the Board (or P&P Sub-Committee if delegated):	December 2024
Date policy is next due to be revised:	December 2027
Equality Impact Assessment carried out for policy:	Yes
Publish revised policy on the website:	No

CONTENTS

PAGE NO.

1.	INTRODUCTION	4
2.	AIMS	4
3.	SALARY SACRIFICE ARRANGEMENTS.....	4
4	ELIGABILITY FOR SALARY SACRIFICE.....	6
5	EQUALITY & HUMAN RIGHTS.....	6
6	DATA PROTECTION.....	6
7	DISSATISFACTION.....	6
8	REVIEW.....	6

Salary Sacrifice Policy

1. Introduction

- 1.1 Dalmuir Park Housing Association (DPHA) recognises that maximising pension savings is in the best interests of its employees and is keen to offer different options to accommodate this.
- 1.2 Salary sacrifice is an arrangement where an employee agrees to reduce their earnings by an amount equal to their pension contributions.
- 1.3 In practice this means that pension contributions would not be deducted from an employee's monthly salary payment. An employee's annual salary reduces and the difference between the reduced amount and the pre-reduction amount is the employee's pension contribution.
- 1.4 Using salary sacrifice means that the employee pays less National Insurance and Tax. The employer pays less National Insurance contributions.
- 1.5 This policy is designed to outline procedures for the implementation of salary sacrifice for pension contributions in DPHA for those employees who pay into the Association's Defined Contribution pension scheme.
- 1.6 This policy and subsequent procedure does not form part of any employee's contract of employment, and the Policy may be amended at any time.

2. Aims

- 2.1 The over-arching aims of this policy are to:
 - Improve employees financial wellbeing by increasing take-home pay.
 - Improve DPHAs employee recruitment and retention.
 - Improve DPHAs flexible employee benefits package.
 - Giving back the employer's NIC savings through the funding and implementation of employee health and wellbeing initiatives.
 - Helping to make DPHA an employer of choice.

3. Salary sacrifice arrangements

- 3.1 Salary sacrifice for pension contributions is an optional benefit for DPHA employees.
- 3.2 Employees can choose the amount of salary to sacrifice, although pay must not drop below the national minimum wage or the lower-level earnings limit as set out by HMRC.
- 3.3 Employees can normally change the amount of salary sacrificed no more frequently than once a year and within the confines of the amounts noted in the bullet point above. Thus, employees can make changes in April 2025, and then every subsequent April thereafter.
- 3.4 Employees may opt in or out of the salary sacrifice scheme if they experience a lifestyle event as defined by HMRC, if this is earlier than the date noted in the point above.
- 3.5 DPHA will pay a minimum of 6% and a maximum employer contribution of 12%. The current rate of contributions is 1:2, with the employees being 1 and the employer 2. The minimum payment an employee can make is 3%.
- 3.6 If an employee opts into the salary sacrifice scheme this change to their terms and conditions of employment will be confirmed by a contract variation.
- 3.7 An employee's reference salary for calculating contractual / non contractual benefits e.g. sick pay will be the employee's normal salary before the reduction was applied.
- 3.8 An employee's reference salary for calculating pay increases will be the employee's normal salary before the reduction was applied.
- 3.9 An employee's reference salary for the purposes of salary confirmation for mortgage requests will be the employee's normal salary before the reduction was applied, albeit DPHA will also state that it permits salary sacrifice for pension contributions.
- 3.10 A record of staff participating in the salary sacrifice scheme will be retained for payroll purposes by the Finance & Corporate Services Team.
- 3.11 Employees who have joined DPHA's Defined Contribution pension scheme and are not participating members in the salary sacrifice scheme will continue to have their pension payments deducted from their monthly salary.
- 3.12 Employer National Insurance savings will be used by DPHA to provide employees with health and wellbeing initiatives.

4. Eligibility for Salary Sacrifice

- 4.1 All employees can access this option for pension contributions on the basis that pay must not drop below the national minimum wage or the lower-level earnings limit as set out

by HMRC.

- 4.2 All employees are advised to seek independent advice to ensure salary sacrifice is of benefit to their individual circumstances. The cost of such advice is the employee's personal responsibility.

5. Equality & Human Rights

- 5.1 We are committed to promoting an environment of respect, understanding, encouraging fairness, diversity and eliminating discrimination by providing equality of opportunity for all. This is reflected in the Association's Salary Sacrifice Policy.

6. Data Protection

- 6.1 The Association will treat personal data in line with our obligations under the current data protection regulations and our Data Protection Policy. Information regarding how data will be used and the basis for processing data is provided in our Employee Fair Processing Notice.

7. Dissatisfaction

- 7.1 Any employee not satisfied with the implementation of this Policy can in the first instance raise their concerns with their manager or the senior officer dealing with the situation. If the employee remains dissatisfied, they should refer to the Association's Grievance Policy and procedures.

8. REVIEW

- 8.1 This policy will be reviewed by the Board every 3-years, or earlier if required.