

# BOOST.

It all adds up when you're helping clients plan for their retirement. That's why it makes sense to be tax efficient now in favour of a more secure future. One way is for them to consider sacrificing all or part of their bonus and investing it into their pension to boost their fund.

**Bonus sacrifice is an efficient tax planning tool for pensions. As the name suggests, this involves employees sacrificing part or all of their bonus in exchange for a contribution to their pension by their employer.**

## HOW DOES IT WORK?

- Employer and employee agree to amend the employment contract.
- Bonus is paid as a pension contribution, not as taxed salary.

## EMPLOYER BENEFITS

- Saves up to 13.8% on National Insurance contributions, for the 2011/2012 tax year.
- Increased staff loyalty and retention.

## EMPLOYEE BENEFITS

- Reduces National Insurance and income tax payable.
- Provides a tax efficient way for the employees to save for their retirement.

## ADVISER BUSINESS OPPORTUNITIES

- Potential to utilise current annual allowance of £50,000 (2011/2012) for large single contributions by employers.
- Allows employers to make pension contributions at a reduced cost.
- Maximise the available tax benefits for both the employer and the employee.

See Pensions Profile 'Salary Sacrifice 2011/2012' February 2011 for more details. Please visit our Adviser Centre for full details.

The value of investments can go down as well as up and is not guaranteed.



**This is not a consumer advertisement. It is intended for professional financial advisers and should not be relied upon by private investors or any other persons.**

For further information please speak to your usual Legal & General contact.

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