

Pension Salary Sacrifice: A Smarter Way to Save for Employers and Employees



Real Savings. Right Now.

In a world of rising costs and squeezed budgets, businesses are under pressure to deliver more with less. But what if there was a way to unlock real financial value today without increasing spend?

Pension Salary Sacrifice is one of the UK's most powerful and underutilised employee benefit strategies. It creates immediate National Insurance savings for both the employer and employee, enhances take-home pay, and improves the overall efficiency of your workplace pension scheme - all while staying fully HMRC-compliant.

So what is Pension Salary Sacrifice?

Salary Sacrifice (also known as salary exchange) is a simple and legitimate arrangement where an employee agrees to reduce their gross salary by the amount they contribute to their pension. The employer then pays this amount into the pension scheme on their behalf.

Why is this smart? Because both employer and employee pay less National Insurance on a lower salary, creating immediate savings without reducing pension contributions.



Let's See It in Action:

Annual Salary	Employee 5% Contribution	Employer 4% Contribution	Employee NI Saving	Employer NI Saving	Total Pension (unchanged)
£25,000	£1,250	£1,000	£100.00	£187.50	£2,250
£50,000	£2,500	£2,000	£200.00	£375.00	£4,500
£75,000	£3,750	£3,000	£75.00	£562.50	£6,750

Note: NI savings are calculated using 2025/26 thresholds:

- Employee NI = 8% (primary threshold to UEL)
- Employer NI = 15%

Who Benefits?

Employees:

- Highest margin of pension tax relief at source – Higher rate tax payers no longer need to reclaim the additional rate of pension tax relief from HMRC
- Higher take-home pay due to lower NI contributions
- No change to pension contributions or benefits – Potential to boost pension savings should the employer agree to rebate some or all of the employers NI saving
- Boosts financial wellbeing without any cost

Employers:

- Lower employer National Insurance costs – Reduction in employment cost
- Real savings across your payroll
- Opportunity to reinvest savings into other benefits or bottom-line profit
- Enhances your benefits offering without increasing costs
- Demonstrates financial wellbeing leadership to your workforce
- Improved recruitment and retention appeal

Even small percentages can go a long way. For example, an employee earning £40,000 contributing 5% to a pension could be missing out on hundreds in NI savings each year if Salary Sacrifice isn't in place. And for a business? Multiply those savings across your payroll, and it's real money - right now.



Why Partner with Corpad Employee Benefits Ltd?

While the concept is simple, implementation requires precision. That's where Corpad comes in.

We make Pension Salary Sacrifice easy to implement, fully compliant, and effective. Our comprehensive support includes:

Scheme Design

We tailor a HMRC-compliant Salary Sacrifice scheme to suit your workforce and existing pension provider.

Employee Communication

We handle employee engagement with clear, jargon-free materials and one-to-one support, so your team understands the benefit and opts in confidently.

Payroll Integration

We liaise directly with your payroll provider to ensure smooth setup, accurate deductions, and ongoing compliance.

Compliance Guarantee

We stay on top of legal, tax, and HMRC guidance so you don't have to.

Ongoing Reviews & Optimisation

Already using Salary Sacrifice? We'll review your current arrangement to ensure it's delivering maximum value — or help you fix what's not working.



Why Act Now?

With over £50bn in tax and NI relief currently being claimed through pension arrangements (source: HMRC), there's never been a better time to act. But with government pressure to tighten these allowances, today's opportunity may not last.

One simple change can deliver thousands in savings. Don't let it pass you by.

- Get in touch: ceb@corpad.co.uk
- Explore more in our Summer Newsletter: [Read it here](#)

What Our Clients Say



"Corpad made the Salary Sacrifice transition seamless. We're saving thousands each year - and our employees love the extra take-home pay."

"This wasn't just a benefit change - it was a smart business move. Corpad handled everything from communications to compliance."

"InPost UK started working with Corpad when we were looking to improve our pension offering to our employees. Stuart, Corpad's MD worked with us personally to explain what was possible, how we should consult with employees on how it would impact them (positively) and helped us with all of the step-by-step communication/documentation we needed to provide throughout."



Why Choose Corpad?



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AND FINANCE LEADERS
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