

# Bonus Waiver 2025

Enrolment is between 3 March and 21 March 2025

## Bonus Waiver

As part of our commitment to help people prepare for retirement and save for their future, this tax efficient benefit enables all employees regardless of which pension scheme they are in, to select to 'waive' all or a portion of their annual bonus directly into the Uniper Pension Plan (UPP) as an Additional Voluntary Contribution (AVC).

You should consider your position in relation to the Annual Allowance tax charge before selecting this benefit.

Note: Members of the various sections of the ESPS including the Retirement Balance Plan cannot waive their bonus into their respective AVC sections but will have an account in the Uniper Pension Plan opened for them (or have the contribution added to an existing UPP account). This account will be separate from and additional to any benefits they may have under the ESPS and members will need to consider this in any Annual Allowance calculations. Railpen do not include this benefit in any Pension Saving Statement or communication they issue.

Employees can select to 'waive' their bonus in increments of 10% up to 100% of the bonus amount. This selection should be made annually during the normal benefits enrolment window.

To be entitled to Income Tax and National Insurance savings, HMRC requires the selection to be made in advance of the bonus being paid. We do understand that this may mean individuals making a choice before being certain of their exact bonus amount.

The waived amount of the bonus is paid, as an employer contribution to the Uniper Pension Plan, under the salary sacrifice arrangements (unless you have opted out of these). This means technically you do not actually pay any pension contributions but receive a deduction to salary instead. You therefore receive the maximum Income Tax and NI savings.

If the person is a basic rate tax payer the income tax and the national insurance contribution savings could be worth 30% of their contribution, a higher rate tax payer it could be worth as much as 42%.

The high level examples below illustrate the tax savings Bonus Waiver can make to a £1,000 bonus:

<b>Basic-rate tax payer</b>	<b>£1,000 bonus taken as cash</b>	<b>£1,000 bonus waived in exchange for a pension contribution</b>
Income Tax payable (20%)	£200	None
National Insurance payable (10%)	£100	None
<b>Final value of bonus</b>	<b>£700</b>	<b>£1,000</b>

<b>Higher-rate tax payer</b>	<b>£1,000 bonus taken as cash</b>	<b>£1,000 bonus waived in exchange for a pension contribution</b>
Income Tax payable (40%)	£400	None

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National Insurance payable (2%)	£20	None
<b>Final value of bonus</b>	<b>£580</b>	<b>£1000</b>

These examples are for high level and illustrative purposes only. They should not be relied on as a guide to your individual circumstances.

### High Earners and Final Salary Pension Schemes

The effect of tax and National Insurance treatment depends on an individual member's circumstances. In many cases High Earners, and those in the ESPS including the Retirement Balance section may have already reached their Annual Allowance for tax free savings and therefore would not have sufficient headroom to benefit from waiving their bonus. We strongly recommend you consider your individual position in relation to the Annual Allowance before selecting this benefit.

Further information in relation to the Annual Allowance can be found on the Government's website:

<https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

The Trustees, Railpen and the Company cannot provide any financial advice in relation to bonus waiver.

Our UK Pensions Manager is available if you wish to discuss further or if you have any questions. Please contact Ruth Blackburn [Ruth.Blackburn@uniper.energy](mailto:Ruth.Blackburn@uniper.energy)

A list of FAQs are available on the pensions website at <https://ukpensions.uniper.energy/bonus-waiver>