Benefits+
Helping you make the most of your take home pay
Welcome to Benefits+. Benefits+ is a package that is available to you as an employee of the University of Reading. It brings together the salary exchange schemes operated by the University, which currently include Pensions+, Childcare+, Bus+ and Parking+. Salary exchange is a smarter way of receiving staff benefits as it increases your take home pay by taking advantage of tax and National Insurance (NI) savings.

In salary exchange schemes, members of the scheme agree to give up, or exchange, part of their gross contractual salary equal to the value of any part of Benefits+, in return for the University providing a benefit on your behalf. This means that you no longer have to pay the tax or NI on the amount that you have given up.

The amount of savings depends on how much you earn, the rate at which you pay tax and NI and which part of Benefits+ you participate in.

Most staff will benefit from participating in Benefits+, however, there may be a few for whom it is not advantageous. The University has put in place safeguards to ensure that no one is adversely affected.

We hope to introduce more salary exchange arrangements to Benefits+ in the future and these will be communicated to you as and when they become available.

University Savings
The savings made by the University will be reinvested in staff-related matters, taking into consideration suggestions put forward as part of the 2011 staff survey. Some of the savings will focus on valuing and supporting staff through reward and recognition arrangements and the introduction of an Employee Assistance Programme.
How does Pensions+ work?

- You stop paying your normal pension contributions;
- Your gross contractual salary will be reduced by a percentage, based on your normal pension contributions;
- In return, the University pays an amount equal to your normal pension contribution directly into the pension fund in addition to the normal University contribution;
- As your salary will be lower, you will pay lower NI contributions;
- As your NI contributions decrease, your take-home pay increases;
- Additional Voluntary Contributions (AVCs) are not included in Pensions+.

We will still keep a record of your gross salary before Pensions+. This will be known as your Reference Salary. This will be used for any salary related calculations, such as pay awards and overtime, so they are not affected by Pensions+. It will also be the amount used in any official letters issued by the University on your behalf e.g. mortgage references, loan applications.

Who is eligible for Pensions+?

You will be eligible for Pensions+ unless participating would reduce your earnings to less than the Lower Earnings Limit, which is £5,668 p.a. in the 2013/14 tax year, or below the National Minimum Wage. The National Minimum Wage is currently £6.19 (rising to £6.31 from 1 October 2013) for workers aged 21 and over and £4.98 (rising to £5.03 from 1 October 2013) per hour for workers aged 18-20.

How will employees start contributing via Pensions+?

As the majority of employees who meet the eligibility requirements will benefit from Pensions+, you will be automatically entered into Pensions+ with effect from the day your pension scheme membership commences, unless you withdraw.

Changes to your contract of employment

Participating in Pensions+ will result in a change to your terms and conditions of employment, as your gross contractual salary will be reduced by the amount of your normal pension contributions in exchange for the University paying the equivalent amount directly into your pension scheme. If you do not withdraw, you will be deemed to have agreed to the change to your terms and conditions.
How much will you save?

Your savings will depend upon which pension scheme you are a member of, how much you contribute and how much you earn. NI rates are lower for pension schemes that are ‘contracted out’ of State Second Pension (S2P), such as USS and UREPF, compared to schemes that are ‘contracted in’ such as URPS. This is because you are not building up S2P if you are a member of a contracted out pension scheme. For the 2013/14 tax year the NI rates for employees have been set as follows:

For members of USS and UREPF

• 10.6% of earnings between £7,755 and £40,040
• 12% of earnings between £40,040 and £41,450; and
• 2% of earnings over £41,450

For members of URPS

• 12% of earnings between £7,755 and £41,450; and
• 2% of earnings over £41,450

The increase to your take home pay is based on the amount of NI saved, which will depend on your gross contractual salary and the normal percentage of salary you contribute to your pension scheme.

The table on the right gives you an indication of the savings you could make.

These figures are based on 2012/13 NI rates and the contribution rates for the different pension schemes applicable in 2012.

<table>
<thead>
<tr>
<th>Reference salary</th>
<th>USS 6.5% contribution</th>
<th>UREPF 6.5% contribution</th>
<th>URPS 4% contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>£69</td>
<td>£79</td>
<td>£66</td>
</tr>
<tr>
<td>15,000</td>
<td>£103</td>
<td>£119</td>
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<tr>
<td>20,000</td>
<td>£138</td>
<td>£159</td>
<td>£132</td>
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<tr>
<td>25,000</td>
<td>£172</td>
<td>£199</td>
<td>£165</td>
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<td>30,000</td>
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</tr>
<tr>
<td>40,000</td>
<td>£275</td>
<td>£318</td>
<td>£265</td>
</tr>
<tr>
<td>45,000</td>
<td>£300</td>
<td>£338</td>
<td>£285</td>
</tr>
<tr>
<td>50,000</td>
<td>£355</td>
<td>£385</td>
<td>£325</td>
</tr>
<tr>
<td>55,000</td>
<td>£410</td>
<td>£435</td>
<td>£455</td>
</tr>
</tbody>
</table>

Savings are smaller for higher earners because the rate at which you pay NI reduces to 2% of earnings over the NI Upper Earnings Limit (£111). The University will still make savings under the scheme in respect of higher earners, as the employer NI rate above the UEL is 13.8%.

Who might not benefit?

Members of USS and UREPF

We do not believe that your State benefits will be adversely affected by the introduction of Pensions+. Your Basic State Pension entitlement would be reduced if your earnings were less than the Lower Earnings Limit (£5,668 in the 2013/14 tax year), However, in this case, you would not be eligible to participate in Pensions+. The State also provides an additional earnings-related pension known as the State Second Pension or S2P, however the USS and UREPF are ‘contracted out’ of S2P and so you don’t earn this additional pension whilst a member of these schemes.

Entitlement to some State benefits, such as statutory sick pay, incapacity benefit and job seekers’ allowance are based on the amount of NI that has been paid. If you would like to know more about the potential effects of Pensions+ on State benefits, you can find this information on Her Majesty’s Revenue and Customs (HMRC) website at www.hmrc.gov.uk

Members of URPS

Whilst you make NI savings through Pensions+, there may be a reduction in your State Second Pension (S2P). There are two parts to State pension benefits:

1 The Basic State Pension (BSP), which is a flat rate retirement pension paid to everyone who has paid sufficient NI. As already explained, your Basic State Pension will be unaffected by Pensions+.

2 The State Second Pension (S2P), is an additional pension, which currently relates to your earnings. Pensions+ reduces your Niable earnings, and therefore your NI contributions, and as a result your S2P entitlement may drop. However, if you are earning under £15,000 or over £40,040 you will not lose any S2P entitlement at all (as flat rates of S2P apply at these levels).

The University’s advisers have undertaken calculations and all current pension scheme members are shown to save more in reduced NI than the loss in the value of S2P benefits, and hence are likely to benefit from Pensions+. For example, a member of URPS earning £25,000 and currently paying 4% of salary to URPS would save £120 each year in reduced NI payments by participating in Pensions+, and their annual reduction in S2P would be around £2.04.

If you are concerned about how Pensions+ will affect your S2P, you should seek financial advice.
### Before salary exchange

**University of Reading Monthly Payroll**

<table>
<thead>
<tr>
<th>Description</th>
<th>U/T Rate</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic Salary</strong></td>
<td>2,083.33</td>
<td></td>
</tr>
<tr>
<td><strong>Pensions</strong></td>
<td>-83.33</td>
<td></td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>264.92</td>
<td></td>
</tr>
<tr>
<td><strong>NI - D</strong></td>
<td>173.95</td>
<td></td>
</tr>
<tr>
<td><strong>Pension</strong></td>
<td>83.33</td>
<td></td>
</tr>
</tbody>
</table>

**Total amount of deductions** 1,561.13

**Your take-home pay** 1,581.13

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### After salary exchange

**University of Reading Monthly Payroll**

<table>
<thead>
<tr>
<th>Description</th>
<th>U/T Rate</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic Salary</strong></td>
<td>2,083.33</td>
<td></td>
</tr>
<tr>
<td><strong>Pensions</strong></td>
<td>-83.33</td>
<td></td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>264.92</td>
<td></td>
</tr>
<tr>
<td><strong>NI - D</strong></td>
<td>163.95</td>
<td></td>
</tr>
<tr>
<td><strong>Pension</strong></td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

**Total amount of deductions** 1,561.13

**Your take-home pay** 1,571.13

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**Employee pension contribution made as salary exchange**

**Reduced NI contribution**

**Employee pension contribution replaced by salary exchange**

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**Sample payslips**

**Before salary exchange**

- **Your pre-salary exchange salary**
- **Pension contribution** as salary exchange
- **Employee pension contribution made as deduction**
- **Total amount of deductions**
- **Your take-home pay**

**After salary exchange**

- **Employee pension contribution replaced by salary exchange**
- **Total amount of deductions**
- **Increased take-home pay**
Pensions+

Can I change my mind and withdraw once I have joined Pensions+?

There will be an opportunity to join or withdraw from Pensions+ on 1st August annually. You will not need to do anything. You will automatically be withdrawn and your contributions will revert to the normal payment through your pre-tax contributions in full based on your pre-maternity Reference Salary while you receive maternity contributions provided by the University for mortgage or loan purposes.

Pensions+

How can I find out more?

Further information can be found on the Human Resources website www.reading.ac.uk/benefitsplus, or you can contact Human Resources at hroperations@reading.ac.uk.

Important note

This booklet does not change in any way the Rules of the pension scheme of which you are a member or your entitlement to benefits under those schemes.

Neither the University nor the Trustees of any of the pension schemes are authorised to provide financial advice and this booklet does not constitute such advice.

Whilst every effort has been made to ensure the accuracy of this booklet, it is only intended to act as a guide to the scheme. Pensions+ is based on current taxation and National Insurance law and practice. If these change, or if there is no longer a benefit in participating in this arrangement, the University reserves the right to withdraw Pensions+ and to substitute suitable alternative arrangements in the circumstances which are directly, or broadly comparable with those that you would have enjoyed if you had not participated in this arrangement.

If you are unsure whether Pensions+ is right for you, you may wish to consult an Independent Financial Advisor (IFA). If you want to join, the IFA customer helpline (0800 085 3250) will provide you with details of IFAs in your local area. Alternatively, you can visit their website www.unbiased.co.uk for further information. You should be aware that IFAs may charge a fee for providing advice.

Your questions answered

1. Why has the University introduced Pensions+?
Pensions+ is a method of arranging pension contributions which reduces the NI contributions payable by both employees and employers in a way which is acceptable to The Magazine’s Revenue & Customs (HMRC), without reducing the contributions paid or the benefits payable. Participation in Pensions+ will mean more money in your take home pay.

2. What constitutes pay for the Pensions+?

For the purposes of the Pensions+, pay is defined as Pensions Payable Salary (as defined in the Rules that govern the pension scheme of which you are a member).

3. What if I am not eligible to participate in Pensions+?

If you are not eligible to participate in Pensions+, you will automatically be withdrawn and your contributions will continue to be paid as employee contributions at as present. Your eligibility to start paying contributions through Pensions+ will then be reviewed on 1st August each year.

4. If I participate in Pensions+ will it affect any other payments?

No. We will ensure that all future pay rises continue to be based on your Reference Salary, i.e. your salary before any adjustments for Pensions+.

5. All of your salary-related benefits will be recalculated on your Reference Salary.

5. What do I need to arrange for my contributions to be paid through Pensions+?

You do not need to do anything. You will automatically be entered into Pensions+ if you do not want to participate in Pensions+. You can choose to participate.

6. Can I withdraw in the future?

There will be an opportunity to join or withdraw from the scheme on 1st August annually. You can withdraw at any other time if a life event has occurred.

7. Will the University still pay its own contribution?

Yes. The University will continue to make the normal employer contribution, in addition to the amount you have exchanged through participating in Pensions+.

8. Will I still benefit from income tax relief as a result of Pensions+?

Yes, you still get income tax relief and this does not change with Pensions+.

9. Will the other salary-related benefits provided by the University (e.g. life assurance) be based on my reduced salary following Pensions+ contributions?

None of the extra related benefits you receive as part of your benefits package from the University such as life assurance and pension contributions will be affected. Your gross contractual salary before reduction for Pensions+ will be used to calculate all benefit entitlements and pay increases, overtime etc. Your salary before Pensions+ is known as your Reference Salary.

10. What happens if the amount that I am required by the University to contribute into my pension scheme changes?

Your contribution rate to the scheme can vary in accordance with the Rules of the pension scheme of which you are a member and your salary will be adjusted as appropriate. You will be notified of any changes.

11. Can I pay some contributions through Pensions+ and some contributions as employee contributions?

No. All ordinary contributions need to be paid through Pensions+ or continue to be paid in the conventional way. NI’s are excluded from Pensions+ so will continue to be paid as a row.

12. What happens if I go on maternity leave?

The University will continue to pay your contributions in full based on your pre-maternity Leave Salary while you receive maternity pay. On return to work any additional payments that you choose to pay to make good any period for which result of Pensions+, will this affect the amount of mortgage or loan that I could receive?

No, it shouldn’t have any impact. Reference letters provided by the University for mortgage or loan purposes will refer to your Reference Salary before Pensions+. Also, should you have any concerns in this area, you are strongly recommended to speak to your lender to confirm their view.

14. Will my State pension benefits be reduced if I contribute through Pensions+?

Your Basic State pension entitlement will not be affected irrespective of which pension scheme you are a member of. As the USS and URPPF are both contracted out of the State Second Pension (S2P), members of these schemes do not earn S2P whilst members of the schemes and in Pensions+ will not make any impact on their entitlement.

However, as the URPPF is contracted in to S2P then if your pay is reduced to between £15,000 and £40,040, there will be a small reduction in the amount of S2P you could receive. The University’s advisers have undertaken calculations and all current members are shown to save more in S2P than they would lose in S2P in the future.

15. Will my other State benefits be reduced as a result of making Pensions+ contributions?

As you will be eligible to contribute through Pensions+ your earnings are below the Lower Earnings Limit (currently £5,600), there should be no impact on any other State benefits as a result of you paying into Pensions+ contributions.

16. As my contractual salary is reduced as a result of Pensions+, will this affect the amount of State Second Pension (S2P) you could receive?

Yes, it should have an impact. Reference letters provided by the University for mortgage or loan purposes will refer to your Reference Salary before Pensions+. Also, should you have any concerns in this area, you are strongly recommended to speak to your lender to confirm their view.

17. As my contractual salary is reduced as a result of Pensions+, will this affect the amount of mortgage or loan that I could receive?

No, it shouldn’t have any impact. Reference letters provided by the University for mortgage or loan purposes will refer to your Reference Salary before Pensions+. Also, should you have any concerns in this area, you are strongly recommended to speak to your lender to confirm their view.

18. What will happen to my State pension benefits

None of your State pension benefits (including Life Assurance, Dependants’ Pension and other benefits) will be affected by participating in Pensions+.
19. Will contributing through Pensions+ affect my student loan repayments as they are based on my earnings?

Yes. The amount you are required to pay in student loans will be lower as repayment calculations are based on your pay after the Pensions+ reduction. Of course, if you pay off your loan at a lower rate, you will end up paying it back over a longer period.

20. I am over State Pension Age (SPA) do not pay NI. Will I be included in Pensions+?

Yes. Pensions+ is designed to create a NI saving for both employees and the employer. However, as you are over SPA, you are not required to pay NI anyway; so have no NI to ‘save’. Whilst you have nothing to gain by participating in Pensions+, you can withdraw if you wish, as it has no negative impact on your entitlements from either the University or from the State, and the University will save NI.

21. I am paying married women’s ‘reduced stamp’ NI, so how will Pensions+ affect my pay?

Prior to 12 May 2017, married women and certain widows could apply to pay reduced rates of NI (sometimes known as the ‘small stamp’) in exchange for a reduction in State benefits – for example, no rights to a state pension, jobseeker’s allowance or Universal Credit. However, your saving will reflect the lower rate of NI that you pay (currently 5.85% on earnings between £7,755 and £41,450). You will still make NI savings from Pensions+, so have no NI to ‘save’. Whilst you have nothing to gain by participating in Pensions+, you can withdraw if you wish, as it has no negative impact on your entitlements from either the University or from the State, and the University will save NI.

22. Can I change my mind about contributing through Pensions+ at a later date?

Yes. You can change your mind on 1st August annually and may also be able to join or withdraw from Pensions+ following a life event as listed earlier in this booklet.

If your circumstances change and you want to review your position, you should contact HR Operations at hroperations@reading.ac.uk.

23. What if I don’t want to participate in Pensions+?

If you don’t want to participate in Pensions+ you don’t have to. However, if you withdraw from Pensions+ you won’t make any NI savings so your take home pay won’t increase. A form is available upon request from hroperations@reading.ac.uk or x8751, or to download from the website www.reading.ac.uk/benefitsplus.

24. What will happen if I leave?

If you leave the University or decide to leave your pension scheme (USS, UREPF or URPS) and have been a member of that scheme for two years or more, you will still be entitled to a deferred pension or a transfer of benefits to another registered pension scheme.

25. How long will Pensions+ be an option?

Pensions+ is based on current taxation and National Insurance law and practice. If the University’s circumstances and/or legislation changes, the University reserves the right to withdraw Pensions+ and reintroduce employee contributions on the current basis. In this event you will be restored to the circumstances you would have enjoyed if you had not participated in Pensions+.

26. Have the Trustees and unions been involved?

Yes, the Trustees of UREPF and URPS and the recognised trade unions are aware of Pensions+ and support its introduction.

27. How will life assurance and death benefits be affected?

Your death in service benefits will not be affected by Pensions+. These will continue to be calculated on your salary before any adjustment for Pensions+.

28. What if I have any further questions?

Please see the website www.reading.ac.uk/benefitsplus or contact hroperations@reading.ac.uk.
How much can I save?
The government has set a limit on the amount of salary you can exchange for childcare vouchers. The amount of salary that you can exchange in receipt of childcare vouchers depends on the level of tax that you pay.
Because the vouchers are exempt from tax and NI, your take home pay will increase. By participating in Childcare+, it will cost you less to pay for your childcare arrangements.

Where can I use childcare vouchers?
Childcare vouchers can be used for: nurseries, play schemes, breakfast and after school clubs. Childcare vouchers are not just for babies and can be used to pay for the care of children up to the age of 10 (until 1 September following their 10th birthday). You can use childcare vouchers to pay for holiday clubs or play schemes during school holidays. All childcare must be registered.
By participating in Childcare+ you are agreeing to a change in your terms and conditions of employment. In exchange for a reduction in your gross contractual salary, you will be entitled to the benefit of participation in the University’s Childcare Voucher scheme.

Child tax credit
Each working family situation is unique, therefore, you should always take advice regarding Child Tax Credits and Childcare Vouchers. Tax credit information is available from HMRC or the tax credits helpline on 0845 3003900.

Benefits

<table>
<thead>
<tr>
<th>Basic Rate Taxpayer</th>
<th>Higher Rate Taxpayer</th>
<th>Additional Rate Taxpayer</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55</td>
<td>$28</td>
<td>$22</td>
</tr>
<tr>
<td>$243</td>
<td>$124</td>
<td>$97</td>
</tr>
</tbody>
</table>

Table: How much you can save by participating in Childcare+ (in £)

<table>
<thead>
<tr>
<th>Weekly Salary Exchange</th>
<th>£55</th>
<th>£28</th>
<th>£22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Salary Exchange</td>
<td>$243</td>
<td>$124</td>
<td>$97</td>
</tr>
<tr>
<td>Annual Savings</td>
<td>$933</td>
<td>$623</td>
<td>$606</td>
</tr>
</tbody>
</table>

If you were already in the scheme before 6 April 2011, and have stayed in the scheme continuously, you will be able to receive £243 a month exempt from tax and NI.
Bus+

Helping you save money on your journey to work

The University is pleased to be able to offer staff subsidised bus travel for commuting to work in conjunction with Reading Buses.

**Benefits**

- Significant cost savings if you currently use Reading Buses to commute to work. You could save 25% or more on the cost of an annual bus pass.
- In addition to commuting to work, you will be able to use your card on Reading Bus routes for other journeys at no additional cost.
- By leaving the car at home, you are helping towards the University’s Travel plan by: reducing pollution, reducing the traffic coming onto campus and reducing the pressure on limited parking.

**Cost**

The Bus+ Commuting Card costs £429 p.a. Your gross salary will be reduced by this amount over a 12 month period (£35.75 per month). Because your gross salary will be reduced, you will pay less tax and National Insurance, saving you money. The table below gives you an indication of the savings you could make if you are a Basic rate tax payer. Your actual savings will depend upon the rate of tax you pay and whether you are a member of one of the University’s pension schemes.

<table>
<thead>
<tr>
<th>Monthly amount</th>
<th>£35.75</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly tax and NICs saving</td>
<td>£10.94</td>
</tr>
<tr>
<td>Actual monthly cost</td>
<td>£24.81</td>
</tr>
</tbody>
</table>

**How to join Bus+**

You can join the scheme at any time throughout the year. All you need to do is follow the steps outlined below:

**Step 1** Read the Frequently Asked Questions and Terms & Conditions. If you have any questions, please contact Claire Eckett, HR Manager (Rewards & Benefits) c.e.eckett@reading.ac.uk.

**Step 2** Complete the Application Form. You will be required to identify the specific bus route you mainly use for commuting to and from work. You can download the Application Form from www.reading.ac.uk/benefitsplus.

**Step 3** Send your completed Application Form to: HR Operations, Room 110, Whiteknights House, University of Reading, PO Box 217, Reading, Whiteknights, Reading, RG6 6AH or e-mail hroperations@reading.ac.uk.

What happens next?

Provided your Application Form is received before the 15th of the month, your participation in the Scheme will start from the following month. Otherwise, your application will be processed in the next available salary run. For example, if your application form is received by 15th June, your Commuting Card will be valid from 1st July and you will see the change in your July salary. Reading Buses will send your Commuting Card directly to your nominated address.

The Commuting Card is valid for 12 months, so you will need to apply for a new card annually.
Your questions answered

1. Who is eligible to participate?

All employees of the University are eligible to participate. However, only those employees in grade and L level categories that are within the scope of the University pension scheme.

2. Benefits

Benefits include:

- Salary-related benefits
- Occupational pension
- Maternity
- Adoption
- Bereavement
- Long-term sickness
- Paternity
- Marriage or Civil Partnership

3. How does Bus+ work?

Bus+ provides a tax efficient benefit to staff and an opportunity to make savings on the cost of travelling to work. The University has agreed to subsidise specific bus routes and any other bus routes that you mainly use for commuting to and from work. The University will then agree to pay Reading Buses a subsidy to assist in financing and maintaining the subsidised bus route. If you wish to join, you must complete an Application Form to participate in the salary exchange arrangement. Please talk to Claire Eckert for advice and the options available to you.

4. Who benefits from the Scheme?

Bus+ provides a tax efficient benefit to staff and an opportunity to make savings on the cost of travelling to work. The University has agreed to subsidise specific bus routes and any other bus routes that you mainly use for commuting to and from work. The University will then agree to pay Reading Buses a subsidy to assist in financing and maintaining the subsidised bus route. If you wish to join, you must complete an Application Form to participate in the salary exchange arrangement. Please talk to Claire Eckert for advice and the options available to you.

5. What is the salary or the amount I am required to exchange changes?

Your Reference Salary is the salary or amount that you will be required to exchange in order to receive the subsidised bus travel. The level of the subsidised bus travel will be reduced and therefore your Tax Credit entitlement may be reduced. This means that the University will be obliged to:

- Report to HMRC at the end of the tax year the value of the benefit
- Deduct any overpayment from your salary

6. How will I join the Scheme?

To join Bus+, you will need to complete an Application Form and return it to: HR Operations, Room 110, Whiteknights House, University of Reading, PO Box 217, Reading, RG6 6AH or email hroperations@reading.ac.uk.

7. Can family or friends use the Commuting Card?

No, the Commuting Card will be issued to you. There is a replacement charge of £2.00 if your Commuting Card is not being used for qualifying journeys. If you leave the Scheme, your Commuting Card will be deactivated with effect from the date of your leaving.

8. How long is the Commuting Card valid for?

The Commuting Card will be valid for a period of 12 months from 1 July 2013. The amount of gross pay after the bus route change will be reduced and therefore your Tax Credit entitlement may be reduced. However, only those employees in grade and L level categories that are within the scope of the University pension scheme.

9. How will I participate in the Scheme?

Bus+ provides a tax efficient benefit to staff and an opportunity to make savings on the cost of travelling to and from work. The University will then agree to pay Reading Buses a subsidy to assist in financing and maintaining the subsidised bus route. If you wish to join, you must complete an Application Form to participate in the salary exchange arrangement. Please talk to Claire Eckert for advice and the options available to you.

10. Will my occupational pension be affected?

Your occupational pension will be unaffected by joining Bus+. The savings are not considered as employer contributions to your pension scheme.

11. Will participating in Bus+ impact on any State benefits?

Entitlement to some State benefits, such as statutory sick pay, incapacity benefit and universal credit, is based on the amount of after-tax income that you have earned. If you participate in Bus+, any potential increase in your after-tax income will be reflected in any claim for State benefits. Therefore, if your main bus route changes, you should notify the University of your new bus route.

12. What will happen to occupational benefits?

Occupational benefits such as maternity pay, adoption pay and sick pay are not affected by Bus+. However, only those employees in grade and L level categories that are within the scope of the University pension scheme.

13. Will participating in Bus+ affect my sick pay?

No, it shouldn’t have any impact. We will still keep a record of your gross salary (Reference Salary) before any salary exchange arrangements. For the purposes of Bus+, pay is defined as Reference Salary (as defined in the rules that govern the pension scheme of which you are a member).

14. How do I know if I have any extra questions?

To withdraw from Bus+, you will be required to cancel your application immediately in the first 30 calendar days from the start of the period when it was not used for qualifying journeys.

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How to join the Scheme

Step 1: Read the Frequently Asked Questions and salary exchange Terms and Conditions. If you have any questions in relation to the salary exchange arrangement, please contact Claire Eckett, HR Manager (Reward & Benefits) c.e.eckett@reading.ac.uk

Step 2: Complete the online car parking permit renewal application. If you have any queries about the permit or renewal process, please contact reception@reading.ac.uk.

What happens next?

Provided you have completed the on-line renewal process before the December deadline, you will receive a parking permit for use at your designated car park and your participation in the Scheme will start from January’s payroll. New applicants should complete the application form and submit it to Reception in the Palmer Building. Your participation in the Scheme will start from the next available payroll run.

The University is pleased to introduce Parking+, a tax-free workplace car parking scheme (‘the Scheme’), to help with the cost of parking on campus.

A new schedule of charges for parking permits, based on salary bands and work location, will come into effect from 1 January 2014. This will be operated by way of a salary exchange arrangement to mitigate the increased charges.

At present the cost of your parking permit is deducted from your net salary. Under Parking+, your gross salary will be reduced by an amount (equal to the cost of your parking permit according to your grade and work location), and in exchange, you will receive a parking permit for use at your designated campus. The advantage of this is that you do not pay tax or National Insurance Contributions (NICs) on the amount of salary that you have exchanged. So, instead of paying for your parking permit from your net (after tax) salary, you pay for it from your gross (pre-tax and NICs) salary.

For example: If you are a Grade 4 full-time employee, the charge for an annual parking permit is £66 (£6 per month). If you join the Scheme and you pay tax at the Basic Rate (20%), your annual tax and NICs saving would be £29.99. Therefore, after the savings, the annual cost of your parking permit will reduce to £36.01 (£3.00 per month). Further examples of the savings and actual costs are provided in the ‘Frequently Asked Questions’ guide attached.

Disclaimer

Whilst every effort has been made to ensure the accuracy of this document, it is only intended to act as a guide to the Scheme. All advice provided below is correct at date of printing (October 2013). If you are unsure about whether or not you should participate, you may wish to seek your own financial advice.

Parking+ is based on current taxation and National Insurance law and practice. If these change, or if there is no longer a benefit in participating in this arrangement, the University reserves the right to withdraw the Scheme and to substitute suitable alternative arrangements in the circumstances which are directly or broadly comparable with those that you would have enjoyed if you had not participated in these arrangements.
Benefits

Frequently Asked Questions

1. Who is eligible to participate?

All employees of the University are eligible to join the scheme. However, if your current or future pay is below the National Minimum Wage (at 31st of October 2013), or the Lower Earnings Limit (currently £6,550 per annum), you will not be eligible to participate in the salary exchange arrangements. If you have any concerns in this area, please contact Human Resources for advice as to how you can participate.

2. Why do I need to participate?

The University provides a tax-efficient benefit to staff and an opportunity to make savings on the overall cost of parking on campus.

3. How does the scheme work?

If you wish to participate in Parking+, you will be required to enter into a salary exchange arrangement, under which you agree to accept a reduction in your gross salary which is equal to the parking permit payment charge. This involves a commitment on your part to enter into an arrangement to reduce your gross salary for a minimum period of 12 months.

4. How much will I save?

The advantage is that you do not pay tax or National Insurance Contributions (NICs) on the amount that you have changed, and as a result, your parking costs are significantly reduced.

5. How much will I save?

A salary exchange is an arrangement recognised by HMRC whereby an employee agrees to a reduction in gross salary for a minimum period of 12 months. The employee agrees to accept a reduction in his or her gross salary which is equal to the parking permit payment charge. This involves a commitment on the employee’s part to enter into an arrangement to reduce gross salary for a minimum period of 12 months.

6. What form will I save?

You will be permitted to re-join the Scheme if you leave your employment and will be calculated based on your previous salary. As a result, the contributions that you make to the pension scheme will be reduced and this will affect the amount of your earnings when you retire. Therefore, it is not recommended that you join the Scheme in such circumstances. In order to join the Scheme in such circumstances, you may choose to pay for your permanent based on your gross salary for a minimum period of 12 months. This involves a commitment on your part to enter into an arrangement to reduce your gross salary for a minimum period of 12 months.

7. Will I save any National Insurance Contributions (NICs)?

The figures in the table below give an indication of the savings you could make. The actual amount you will save will depend on the amount of salary you receive, the rate at which you pay Tax (Basic Rate or Higher Rate) and NICs (Basic Rate or Higher Rate) and the pension scheme on which you pay.

8. Will I save any NICs or contributions?

The rules of USS, UREPF and URPS allow for salary sacrifice arrangements. For the purposes of Parking+, pay is defined as Pensionable Salary (as defined in the Rules that govern the pension scheme of which you are a member). The contributions that are made to your pension scheme will be based on your Reference Salary and, as a result, your pension contributions will not be affected by parking.

9. Will I save any NICs or contributions?

However, if you are a member of the Teachers’ Pension Scheme (TPS), your pension will be affected, as your pension contributions will be calculated by reference to your reduced salary. As a result, the contributions that you make to the pension scheme will be reduced and this will affect the amount of your earnings when you retire. Therefore, it is not recommended that you join the Scheme in such circumstances. In order to join the Scheme in such circumstances, you may choose to pay for your permanent based on your gross salary for a minimum period of 12 months. This involves a commitment on your part to enter into an arrangement to reduce your gross salary for a minimum period of 12 months.

10. Will I save any National Insurance Contributions (NICs)?

The figures in the table below give an indication of the savings you could make. The actual amount you will save will depend on the amount of salary you receive, the rate at which you pay Tax (Basic Rate or Higher Rate) and NICs (Basic Rate or Higher Rate) and the pension scheme on which you pay.

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12. Will I save any NICs or contributions?

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13. What will happen if I withdraw from the Scheme?

If you do not wish to participate in the Scheme you can withdraw at any time you renew your permit by deselecting the tick box on the parking permit renewal form. If you have any queries, please contact the Revenue & Customs helpline on 0845 300 3900. For questions about bookings, vehicle registration and parking applications, please contact your Campus Operations.

14. What happens if I leave my employment with the University?

If you leave the University, you may make a claim for tax credits or NICs savings, or reduce your pay if you do not wish to participate in the Scheme. However, the University may make a claim for tax credits or NICs savings, or reduce your pay if you do not wish to participate in the Scheme. However, the University may make a claim for tax credits or NICs savings, or reduce your pay if you do not wish to participate in the Scheme.

15. What if I have any further questions?

Please talk to Human Resources for advice as to how this may affect you and the options available to you.

Examples of savings and actual costs

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<th>Grade</th>
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<th>Annual Tax and NICs Savings</th>
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<th>Actual Monthly Cost</th>
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</tbody>
</table>

Notes: BR = Basic Rate Taxpayer, HR = Higher Rate Taxpayer

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Benefits+

For more information, please contact:

Human Resources
University of Reading
Whiteknights
PO Box 217, Reading
RG6 6AH

www.reading.ac.uk/benefitsplus