



INTEGRAL

Integral UK Ltd Stakeholder Pension Plan
Automatic Enrolment and salary exchange
What you need to know

What is automatic enrolment?

The government introduced a law designed to help people save more for their retirement. It requires all employers to enrol their eligible workers into a workplace pension scheme. Integral UK Ltd had a Staging Date of **1 August 2013**. This is the date that the automatic enrolment legislation first applied to us.

Why was this introduced?

The aim is to help people have another income, on top of the State Pension, when they retire. The government is getting employers to enrol their workers automatically into a pension at work so it is easier for people to start saving.

Who will be enrolled into a workplace pension?

We will assess workers each time they are paid to establish whether they are eligible to be automatically enrolled. Workers will be automatically enrolled if they:

- Are not already in a qualifying workplace pension scheme
- Are aged 22 or over
- Are under State Pension Age
- Earn more than £10,000 a year (for 2025/26 tax year)
- Work, or usually work, in the UK

The automatic enrolment earnings threshold (£10,000 a year) is applied pro rata each time a worker is paid so for a monthly paid member of staff this is currently £833 per month and for staff paid weekly the threshold is currently £192.

When will this happen?

We have chosen to defer the assessment of new employees for three months. Therefore employees will start to be assessed against the automatic enrolment criteria at the end of this period (known as the 'deferral date').

If you are eligible you will be automatically enrolled into the Integral UK Ltd Stakeholder Pension Plan (the Plan) and will immediately start making pension contributions unless you opt out (see later in this document for more information).

What is the Integral UK Ltd Stakeholder Pension Plan?

The Integral UK Ltd Stakeholder Pension Plan is provided by Standard Life, a leading UK pension provider. It has been established to help you save for retirement and Integral UK Ltd will pay contributions on your behalf, on top of your normal earnings.

Your pension plan will automatically have the following features:

- You will contribute a percentage of your pensionable salary, as outlined in your contract of employment or in line with the government statutory minimum levels.
- Payments will be made via salary exchange unless you elect not to save into the Plan in this way.
- We will also contribute a percentage of your pensionable salary.
- Contributions are invested in the Balanced Managed II Universal Lifestyle Profile. There are other investment options to choose from once you are a member.
- Your new plan will assume that you will take your benefits at age 65, but you can select a different retirement age once it has been set up.

Standard Life will provide you will full details of the Plan once you have been enrolled which will include confirmation of your right to opt out of the Plan and cease pension contributions. It is not possible to opt out prior to being automatically enrolled.

You will have your own policy under the Plan and have control over how much you contribute, where your money is invested and flexibility regarding when you start to receive your pension. You will also be able to access your plan online, which will enable you to make changes and take advantage of Standard Life's suite of online retirement planning tools.

If I am automatically enrolled how much will I have to contribute to my pension plan?

Unless your employment contract shows a different amount, you will pay 5% of your 'qualifying earnings' into your new plan and we will pay 3%. This is the current minimum level of contribution required under legislation.

Qualifying earnings are your gross annual earnings between £6,240 and £50,270 in the 2025/26 tax year. Qualifying earnings are set each tax year and are therefore subject to revision.

Your qualifying earnings will be calculated each time you are paid and will vary depending on whether you are paid weekly, fortnightly or monthly. This is explained more in the following table:

How often you are paid	Your qualifying earnings in 2025/26 tax year
Weekly	£120 - £967
Fortnightly	£240 - £1,934
Monthly	£520 - £4,189

Should I contribute more to my pension plan?

You can choose to contribute more than the minimum required if you wish.

We will not contribute more unless you have an existing contractual entitlement to a higher level of pension contribution.

You should check your contract of employment to verify your contractual entitlements and whether you are required to contribute more to qualify for these entitlements.

Can I opt in to the Plan before my deferral date?

If you wish to join the Plan before your deferral date you can contact the HR & Payroll Department or download an 'Opt-In / Amendment Form' from <https://integraluk.second-sight.com>

You will need to complete this form and return it to the HR & Payroll Department. You will be enrolled into the Plan from the next relevant pay reference period.

What is salary exchange and how does it work?

Salary exchange is a more tax efficient way for you to save into your pension plan.

Rather than paying personal contributions out of your take-home pay, an agreed amount of salary can be given up and we will pay a corresponding amount as a pension contribution into your plan. This usually brings a saving in employer and employee national insurance contributions (NI) on the amount of salary exchanged, resulting in an increase to take home pay.

It is important to note that, to be regarded as a valid exchange by Her Majesty's Revenue & Customs (HMRC), the exchange must be a permanent alteration to your contract of employment.

Is entry into the salary exchange arrangement compulsory?

No. However, if eligible, you will be entered into the exchange scheme unless you advise us that you do not wish to participate. Whilst we believe that the majority of our employees will benefit from using pension salary exchange, this method is not compulsory. If you decide to opt out, it is possible to opt back into salary exchange at a later date.

If you do not wish to participate in the salary exchange arrangement, or if you wish to opt out at any time you must complete the box under the 'salary exchange' section of the Opt in / Amendment form available from <https://integraluk.second-sight.com>

Unless this box has been ticked, employees will participate in salary exchange. This means that your terms and conditions will be altered to provide for a corresponding reduction in your earnings. If you do not wish your terms and conditions of employment to be changed, you must follow the salary exchange opt-out procedure.

Can everyone use salary exchange?

Salary exchange is offered to all employees who contribute personally to Integral UK Ltd Stakeholder Pension Plan.

Please note however that you will be unable to participate if the exchange would reduce your earnings to below the National Living Wage (if age 21 and over) or National Minimum Wage (if under 21).

By how much will my take-home pay increase?

It will increase by the amount of NI that would otherwise be paid on the earnings you choose to exchange.

The rate of NI normally payable depends on your earnings, as shown below:

Your earnings	Rate of NI payable
Up to £12,570	Nil
Over £12,570 up to £50,270	8%
Above £50,270	2%

What happens about tax?

The salary you have exchanged for an employer contribution does not form part of your income for tax purposes, and so you do not pay tax on it.

Full tax relief is given automatically on contributions made by salary exchange. Therefore, if you pay more than basic rate tax of 20%, you will no longer need to request any additional tax relief you may be due.

If have had your tax code adjusted to claim your extra tax relief through PAYE, you must contact your local tax office to have the adjustment reversed. By not doing so you may not pay enough Income Tax. Using salary exchange means that tax relief will always be achieved at your highest rate of income tax.

Can I change the level of contributions?

If you are making, or wish to make, a different level of contribution, the amount of salary exchange can be adjusted to reflect this. An Opt in / Amendment Form is available from <https://integraluk.second-sight.com/>

Do I need to sign a new contract?

No, if you choose not to opt out of salary exchange you are deemed to have accepted the change to your terms and conditions of employment.

Can I make backdated payments?

No. For a salary exchange arrangement to be allowable by HMRC, you must elect to exchange salary before you are entitled to receive it as a cash payment.

What are the advantages?

- If you pay NI, you will see an increase to your take-home pay.
- If you pay tax at a rate higher than 20%, full tax relief will be immediate.

Are there any disadvantages?

Although salary exchange is an effective form of pension planning, it is not suitable in all instances. For example, the reduction in salary could lead to a reduction in certain statutory or state benefits.

If you are in receipt of any state benefit entitlements and are unsure of the possible impact salary exchange will have on your state benefit entitlements, it is recommended that you seek advice from the relevant Government Benefits Agency.

It is also important to consider that any borrowing levels, such as mortgage, personal loans, etc. that are set in accordance with salary, may be affected by the exchange.

However, as salary exchange is now more common, more lenders do take this into consideration. If you think you may be affected by this, you should speak to the lender concerned to determine if they will take your salary exchange into account when calculating the amount they are prepared to lend.

Will salary exchange affect other benefits that I receive from the Company ?

No, the other benefits that you receive from us will not be affected by salary exchange. This will be done by ensuring that your benefits (such as overtime, bonus, future salary increases and life assurance) are based on your reference salary, calculated as your earnings before the exchange, plus any future salary increases.

How long will the Company operate this arrangement?

We plan to operate salary exchange indefinitely; however we may make changes at any time. In the event that salary exchange ceases to be beneficial to employees or us, we may decide to cease operation of the arrangement.

Who shouldn't participate?

In general, salary exchange offers benefits to most employees, however you will be unable to participate if it would lead to your salary falling below the national minimum wage or national living wage, depending on your age.

Due to the way that tax relief is given on pension contributions, exchanging salary below the level of your income tax personal allowance (or £15,398 if you are a Scottish tax payer) may not be advantageous. You may also be better off not participating in this arrangement if you are concerned about any reductions to state benefits or borrowing levels.

If you have reached your State Pension age, you will no longer pay NI and therefore will not benefit from an NI saving by using salary exchange. However, you would still benefit from any automatic tax relief you are due.

What happens if I go on parental leave?

You can remain a member of the salary exchange arrangement during any period of paid parental leave (maternity, paternity, adoption or shared parental leave), or you can choose to opt out. If you remain in the arrangement, we will continue to make contributions based on your pre-leave reference salary. This also applies to Ordinary Maternity Leave, whether paid or not.

As statutory payments such as maternity, paternity, adoption or shared parental leave will be based on your post-exchange salary in the period leading up to your leave, you may wish to consider if there would be an impact on any statutory payments you receive. For further information about this, you should speak to the HR & Payroll Department.

What happens if I am absent from work?

Both your own personal contribution and our contributions will be calculated on your pensionable salary which will include any entitlements to company sick/full pay. You will also remain in salary exchange.

However, if you are in receipt of statutory sick pay (SSP) due to a period of sickness absence from work, you will be removed from

salary exchange for the time you are in receipt of SSP. Contributions will be based on your actual, lower earnings, and will be paid from your net pay.

Can I put my NI savings back into my pension plan?

Yes. You can do this by increasing the amount of your salary exchange; however this can only be increased in whole percentages. The increase required will depend on your personal circumstances but is unlikely to work out to be a whole percentage. This means that the cost of the increase may have to be slightly more than the amount you save, but in return you would have more going into your pension policy.

An alternative is to pay your savings directly to Standard Life from your own bank account, which can be done using Standard Life's website.

Where can I get more information?

If you have a question about the Plan or salary exchange arrangement, please contact the HR & payroll team via email using PensionandBenefits@integral.co.uk or by calling **0333 321 2216**.

This guide has been prepared by our pension adviser, Second Sight, and is based on their understanding of legislation and practice for the 2025/26 tax year. It includes figures from HMRC relevant at the time of writing. It does not contain advice. The tax treatment of pensions in general will be based on individual circumstances and legislation, which may change in future. It is important to remember that pension savings are at risk of being eroded by inflation. You can also find further information at: <https://www.moneyhelper.org.uk/en/pension-s-and-retirement/building-your-retirement-pot/salary-sacrifice-and-your-pension>

Second Sight is a trading name of Foster Denovo Limited, which is authorised and regulated by the Financial Conduct Authority. Registered Office: Foster Denovo Limited, Ruxley House, 2 Hamm Moor Lane, Addlestone, Surrey, KT15 2SA. Our Financial Services Register reference number is: 462728.

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