

Wood Pension Plan

Salary Sacrifice – 6 April 2023 to 5 April 2024

Salary Exchange – The SMART Pensions guide

This booklet is intended to provide you with details about how SMART Pensions can help you meet the cost of contributions to the Wood Pension Plan (the “Plan”).

SMART Pensions provides the opportunity to employees and Wood to make savings, it does not reduce the amount you pay into your Plan Account or any other Wood benefits. This is not another pension scheme. It’s simply a more effective way of paying into the existing Plan. Because we expect almost all Plan members to benefit you will be included automatically unless you tell us you wish to opt out. If you are working overseas and are not currently paying UK taxes, you will not be eligible for SMART Pensions and will be automatically opted out. Details of how SMART Pensions work are provided in the Question and Answer section that follows.

The facts about SMART

How will I benefit?

SMART Pensions provides the opportunity for employees and Wood to save National Insurance (NI) contributions and therefore offsets some of the cost of pension contributions. It does not reduce your Plan benefits. The same amount of money will go into the Plan but in a different way.

How does it work?

- You stop making your normal contributions to the Plan
- Wood will increase their pension contributions so that the same amount of money goes into the Plan as before
- Your contractual basic salary is reduced by an amount equal to your pension contributions
- You’ll pay less NI contributions

We will keep a record of your salary before the reduction. We will call this “Basic Pay”. This will be used to calculate all salary related benefits such as salary reviews, bonuses and, where applicable overtime. This will make sure that no other benefits provided by Wood are affected by SMART Pensions.

Should everyone participate?

We have designed SMART Pensions so that most employees benefit from taking part. However, you may not benefit if you earn less than £12,570 per year. If you are in this position, we will automatically opt you out of SMART Pensions.

An example of SMART Pensions on your payslip

(assuming you pay a 3% contribution to the Plan)

Currently

Payments	£	Deductions	£
Basic Pay	2,000.00	Tax	190.50
		National Insurance	114.30
		Pension contributions	60.00
GROSS PAY	2,000.00	TOTAL DEDUCTIONS	364.80
Net Pay	1,635.20		

After SMART Pensions

Payments	£	Deductions	£
Basic Pay	2,000.00	Tax	178.50
SMART Pension	60.00	National Insurance	107.10
GROSS PAY	1,940.00	TOTAL DEDUCTIONS	285.60
Net Pay	1,654.40		

In this example, you would only pay tax and NI on £1,940 (i.e. your pay after allowing for your SMART Pension adjustment). Also, to make sure the same amount of money goes into the Plan. Wood would increase its contributions by £60 per month. Your increase in take home pay would be approximately £230.40 a year (please note that all the amounts shown in this guide are calculated as at April 2023 and are subject to future changes in line with legislation).

Questions and Answers

Will SMART Pensions affect my income tax position?

No, there will be no change.

How will SMART Pensions affect my death in service benefits?

Your death in service benefits are unaffected by SMART Pensions. These will continue to be calculated before any adjustment for SMART Pensions.

Have the Trustees of the Plan been involved?

The Trustees have been consulted and have previously confirmed their agreement to the operation of SMART Pensions.

Will SMART Pensions affect the amount of employer's contribution to the Plan?

No, your employer's contribution continues to be calculated in the same way using your Basic Pay before taking any account of any SMART Pension arrangement.

Will SMART Pensions affect any other Wood benefits I receive?

No, SMART Pensions does not affect other benefits you may receive. Any future salary increases, bonuses, mortgage reference letters etc. will be based on your Basic Pay and are therefore unaffected by SMART Pensions.

What happens if I leave Wood?

- If you leave Wood and have been a member of the Plan for one month or more, SMART Pensions will not affect you.
- If you are a member of the Plan, opted out of SMART Pensions and leave before completing one month of pensionable service, you are able to receive a refund of your contributions less certain deductions.
- Under SMART Pensions, as you no longer make contributions there will be no contributions to refund. Therefore, should you leave before completing one month of pensionable service, Wood will make a special ex gratia payment to you based on your SMART Pension adjustment subject to certain deductions. This amount will be paid back to you through the relevant payroll and will be subject to tax and NI deductions at the relevant time.

Is there a maximum amount that can be paid under SMART Pensions?

Her Majesty's Revenue and Customs sets a limit on the annual amount of contribution and pension accrual that qualifies for tax relief. This limit is referred to as the Annual Allowance. The Annual Allowance for 2023/2024 is £60,000.

Will SMART Pensions affect any benefits I get from the State?

Some State benefits such as statutory sick pay, incapacity benefit and job seekers allowance are based on the amount of National Insurance which has been paid. Provided that you continue to earn more than around £6,240 a year on a regular basis, your entitlement to these benefits will not change. Also, SMART Pensions will not affect any tax credits you receive. However SMART Pensions could affect the amount of statutory entitlement to parental payments, such as statutory maternity pay. Wood will ensure employees are no worse off by paying a top up amount. Therefore, SMART Pensions will not reduce any maternity, paternity or adoption payments you receive.

Will SMART Pensions affect any State Pension I am entitled to?

On the basis that you continue to earn more than £6,240 a year there will be no impact of your entitlement to the basic State Pension.

How does SMART Pensions work for Maternity Leave?

The employee contribution will be the relevant percentage of earnings whilst on paid leave and the employer's contribution will be based on what the employee earnings would have been if not in receipt of maternity pay. The employer will also make up the shortfall in employee contributions to ensure the sum paid to pension remains unchanged. During any unpaid period both employee and employer contributions will cease

What are the next steps?

As detailed previously you, will be automatically included in SMART Pensions from the date you join the Plan. Once you have been included in the scheme you cannot normally opt out until the end of the tax year. However, if you do wish to opt out, please complete the enclosed form and return it to: Wood Pensions, Booths Park 1, Chelford Road, Knutsford, Cheshire WA16 8QZ

If you do decide to opt out of SMART Pensions, you can subsequently decide to opt in from 1 April in any year by contacting Corporate Pensions.

If you have any queries relating to SMART Pensions, please feel free to contact a member of the Pensions team.

Contact details are provided below:

Wood Pensions

Telephone number: +44(0)1565 683295 Email: pensions@woodplc.com

Wood Pension Plan

SMART Pensions Opt Out Form

Please complete this form if you DO NOT wish to participate in SMART Pensions and return as soon as possible to Wood Pensions, Booths Park, Chelford Road, Knutsford, Cheshire WA16 8QZ or pensions@woodplc.com

First Name	
Surname	
Date of Birth	
National Insurance Number	
Home Address	
Post Code	

Please read and sign the declaration below:

I have read and understood the guide to SMART Pensions. I confirm that I do not wish my pension contributions to be included under SMART Pensions. I understand that by opting-out of this:

- My pension contributions to the Wood Pension Plan will be paid by payroll deduction
- I will not benefit from any potential savings that SMART Pensions might otherwise achieve
- My pension contributions will not be included in SMART Pensions

Signature	
Date	