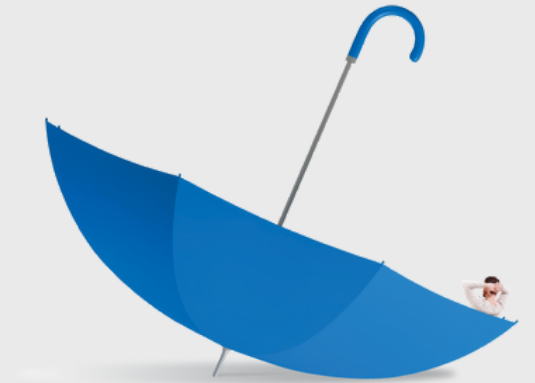




giant umbrella – pensions FAQ

At **giant**, we're here to help you and thousands of other independent contractors make the most of your income.

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what are my pension options?

what tax relief do I get when contributing into a pension scheme?

This is an important question.

Under NEST the employer contribution, 4%, saves employer's national insurance and tax however your employee contribution, 4%, is paid from your net income and only receives basic rate, 20%, tax relief at source. The government add 1% to your contribution making your contribution 5%. On your employee contribution you get no relief from employers' national insurance and you will need to claim higher rate tax relief via your self-assessment.

In contrast under our Standard Life pension arrangement all national insurance and tax relief is received at source via what is known as a salary sacrifice arrangement. All contributions are made before calculating your taxable gross income and therefore the contributions save employer's national insurance and tax at your highest marginal rate. For example, if you are a higher rate tax payer it will only cost you £440 for every £1,000 contributed into your pension scheme.

Please note if you are requesting your existing scheme to be processed via **giant** you will want to ask if it can be processed via a salary sacrifice arrangement or whether your contributions are from your net income. The latter is less tax efficient because you only receive basic rate tax relief immediately, you apply for higher rate tax relief via your self-assessment and you do not get any employers national insurance relief.

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what are my pension options with **giant** umbrella?

You have three options: auto enrolment via NEST, **giant's** Standard Life salary sacrifice pension or an alternative pension provider where you have an ongoing scheme.

how does auto enrolment via NEST work?

After 90 days of continuous employment with us, we will auto enrol you into a workplace pension with NEST. You will contribute 4% of pensionable earnings (the government adds another 1%) and **giant** will contribute a further 4% (from funds we receive from the agency). Once auto-enrolled, you can opt out of this pension (by law the opt out is processed by you directly with NEST). For queries on the NEST scheme, please call them directly on 0330 020 0090.

how does the **giant** Standard Life scheme work?

You can contribute up to 100% of your gross taxable income in excess of the National Minimum Wage and your holiday pay. This is subject to a maximum of £60,000 per year and all employer's national insurance and tax relief is received at source via what is known as a salary sacrifice arrangement.

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what is the annual management charge on the standard life salary sacrifice pension?

We have negotiated a discount of 0.74% per year on all funds provided by Standard Life via our Standard Life salary sacrifice pension. For example if the normal charge for a fund is 1.00% per year then via the **giant** salary sacrifice scheme the charge is reduced to 0.28% per year. Over the life of a pension, this discount is very significant.

Please note if you take independent financial advice via Humphries IFA there is an additional cost for their advice.

how do I join the **giant** Standard Life scheme?

Very easily. If you have chosen umbrella premium, you just need to read the information on your portal then provide us with the level of contributions you would like to make, and we do the rest!

does the **giant** margin increase for processing my pension?

For standard umbrella the margin is from £22 per week (£11.41 after tax relief) as we can only process the NEST pension scheme. With umbrella premium, where we can process pension contributions for any pension scheme, the margin is £39.50 (£20.14 after tax relief). Also included with umbrella premium is our award winning benefits package **giant** advantage, private medical insurance that includes diagnostic scans and dental trauma - and much more.

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can I pay into an existing scheme that I have?

Yes, we can accommodate this. However, you will need to contact your pension provider and request approval for **giant** to pay them via a salary sacrifice arrangement. Some providers will not allow this because of the associated administrative costs. In these situations, your contribution can be made from your net pay, but this is not as tax efficient as a salary sacrifice arrangement. Unfortunately these pension providers often see this type of scheme to be administratively costly and therefore have strict criteria such as fixed monthly contributions and application forms often requiring wet signatures. Please note that these are the pension providers rules, not ours.

if I decided to set up with a pension provider of my choice, what information do I need to provide?

If you decide you want to set up a pension with a provider of your choice then unfortunately they will not talk to us until you have been in contact with them and given them permission. Therefore please contact them and provide us with the following information:

- pension company
- pension reference number
- name, email and contact phone number of pension provider representative for us to contact
- monthly fixed contribution amount
- confirmation it is a qualifying pension and will allow salary sacrifice payments (this gives you the maximum tax relief)

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	standard life pension	other pension provider
Do I initially contact the pension provider?	no	yes
What information do I need to provide?	amount of contribution only	see 5 items listed on the previous page
Application forms to set up the pension?	no	yes
Wet signature required on forms?	n/a	sometimes
Estimated time to set up?	immediate	2-4 weeks
Fixed or variable contributions?	variable weekly or monthly	fixed monthly
Weekly or monthly payroll from giant	either	monthly only (to allow monthly contribution)
When do contributions begin?	next payrun	2nd monthly payrun
Additional contributions?	just inform us of the amount	wet signature form
Discount on annual pension charge?	yes discount of 0.72% p.a	for you to negotiate
Additional giant margin for processing?	included in umbrella premium (£20.14 after tax & NI relief)	included in umbrella premium (£20.14 after tax & NI relief)

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what is the maximum amount I can contribute towards a pension?

Under the workplace pension we offer through NEST, the maximum contribution via your payroll will be 4% of your qualifying earnings.

However, if you are contributing to a private pension scheme via **giant** you can contribute up to 100% of your gross taxable income in excess of the National Minimum Wage and your holiday pay, subject to a maximum of £60,000 per year.

If you have more than one pension scheme, the allowance is across all of them and is not a 'per scheme' allowance. A tapered allowance exists for those with an adjusted total income of over £240,000 which can reduce the maximum contribution to £4,000 per year.

can I carry forward unused allowances from previous years?

You can also carry forward any unused contribution allowances from the previous 3 tax years, which might allow contributions over £100,000 in the current tax year. To find out more about tapered or carry-forward contributions, please contact an IFA; or alternatively you can call Humphries IFA on 0208 390 9055 or email info@humphriesifa.co.uk to speak with one of their Independent Financial Advisors.

what if I mistakenly contribute above the maximum amount I can contribute towards a pension?

HMRC will tax you on the excess contributions.

can I vary my pension contributions?

Not under NEST but you can vary your pension contributions under the other schemes. Please note pension providers do not like contributions to vary, and some may not allow it, in order to minimise their administrative costs.

can I get Independent Financial Advice?

Yes, we have partnered with Independent Financial Advisors, Humphries IFA, who can advise you on more flexible pension planning via a Standard Life salary sacrifice scheme. You might want to consider this if you:

- have a reduced contribution allowance because your total income is in excess of £260,000 per year (£240,000 prior to 6th April 2023).
- want to carry forward unused pension allowances from the last 3 tax years to increase your contributions this year
- would like to have a choice of fund selection
- require advice on reviewing any historic schemes or would like to consolidate pension pots
- would like retirement benefits advice, cashflow modelling and forecasting work

To find out more, please call them on 0208 390 9055 or email info@humphriesifa.co.uk to speak with one of their Independent Financial Advisors.

can I use my limited company to make pension contributions?

Yes, but this will be separate to and not involve the **giant** umbrella pension schemes.

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sign up today

We appreciate you are really busy, especially when you've been instructed by your hirer to find an umbrella company pretty quickly!

Joining **giant** umbrella has never been easier. We've developed a joining process to be proud of!

With us, you can complete the full sign up process online meaning you don't have to speak to anyone at all if you don't want to!

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about **giant**

For almost 30 years, **giant** have provided specialist, end to end workforce management software and support services for organisations of all sizes. Globally.

We invest heavily in our cloud-based software which ranges from talent acquisition and onboarding through to timesheet management, billing and payroll. Our support services include candidate screening, employment solutions and legislative risk management including employment status advice as well our range of payment solutions available to contractors.

You can relax knowing your data is safe with us. Our commitment to compliance protects you from risk and our rigorous international security standard ISO 27001 ensures that your data is GDPR secure.

By the way, we're also green! We're passionate about our planet so we have the ISO 14001 environmental management standard which focuses on reducing waste and recycling!

