

BASF UK Group Pension Scheme Bonus Sacrifice

What is Bonus Sacrifice?

The Company operates an annual bonus sacrifice scheme that gives employees the option to sacrifice some, or all, of their annual bonus to provide additional pension benefits.

Before **22 March**, you can sacrifice some, or all, of your annual bonus, payable in April. If you are interested in the annual bonus sacrifice scheme, you should carefully read the important information below.



What do I need to do next?

Log into [Ingenuity](#), and complete the 'Bonus Sacrifice' page, found under the 'Employment' tab. If you have problems accessing Ingenuity or any other Bonus Sacrifice queries, please contact your local HR Team or the [HR Service Centre](#). Remember to press [confirm](#) and [tick the declaration](#) (see the screenshot example below).

You can amend your Bonus Sacrifice amount as many times as you like. Your final choice will be taken at midnight **22 March** and confirmed by email soon after.

Confirm

Bonus Sacrifice

You have until 24th March to update this form. If you wish to sacrifice some of your annual bonus, please complete one of the fields below, tick the declaration box and confirm your decision.

I irrevocably give up entitlement to the following amount of my current years annual bonus which might otherwise be awarded to me in April as part of the annual pay review:-

Amount £ (enter amount in £0.00)

OR

Percentage % (enter percentage)

Declaration

1. I confirm that I have read the current **Bonus Sacrifice Factsheet** and understand that I will be responsible for any additional pension savings tax charges that may arise (see note 2 of "Important things to consider" on the Factsheet).
2. I understand that as a DC Account is currently held in respect of me under the DC Section of the BASF UK Group Pension Scheme, the Company will arrange for the amount given up by me to be credited as an employer pension contribution to my DC Account plus a further of the amount of the current years annual bonus sacrificed.
3. I understand how my sacrificed bonus will be invested in my DC Account, as explained on the current Bonus Sacrifice Factsheet.

(tick declaration box)

Important Information

Please note that neither the Company or the Trustee can give you financial advice. If you need financial advice, you should speak to an independent financial adviser. The adviser may charge you a fee.

You can find a local adviser by visiting www.unbiased.co.uk.

If the total contributions made by you and the Company to the Scheme, plus additional contributions you may make to any other pension arrangement, are more than the Annual Allowance (currently **£60,000***), you may be subject to an additional tax charge.

** may be lower if your income is more than £110,000 per annum, or if you have accessed your pension savings*

If you are a former member of the Group Defined Benefit (DB) Section or BPP Hybrid Section of the Scheme, increases in your accrued DB pension may also be included in the Annual Allowance. You can read more [here](#).

The Company reserves the right to amend or discontinue the annual bonus sacrifice scheme at any time.

How does Bonus Sacrifice work?

The Scheme is designed to help make pension contributions more efficient.

You have the option to sacrifice some, or all, of your bonus. As your bonus is reduced, you pay less tax and National Insurance Contributions (NICs).

For any bonus you sacrifice, the Company will credit your DC Account with an additional employer contribution. For the performance year **2023**, the additional contribution will be **7%**.

For example, if you sacrifice **£1,000** of your bonus, the Company will add **£70** into your DC Account.



What are the rules?

Under HMRC rules, you must give up any contractual rights to your annual bonus before you receive it. This means:

- ◆ Once you elect to sacrifice some, or all, of your bonus, you cannot change your mind (after 22 March); and
- ◆ You must elect to sacrifice your annual bonus before **22 March**

All contributions paid to your DC Account will be used to provide benefits in line with the Scheme's Trust Deed & Rules. For further information about the Scheme, take a look at the [Member Guide](#) on the [Pension Website](#).



How will my Bonus Sacrifice be invested?

You can choose where to invest from the funds available. It can be invested differently to other contributions but all bonus sacrifice contributions from past and future years must be invested together.

- ◆ If you have previously paid Bonus Sacrifice contributions, it will be invested in the same way.
- ◆ If you have never made any Bonus Sacrifice before, it will be invested in the same way as your regular contributions.
- ◆ If you want to change how your bonus sacrifice contributions are invested, you can make changes online by logging into the [Pension Portal](#) and selecting 'Investment Changes' from the 'Do' menu.