

Salary sacrifice setup checklist

A simple plan for a smoother switch

thrive 



STEP 1 START

Payroll's your starting point. Here's how to get it set up right first time.

Outsourcing payroll? A quick chat with your provider can help unlock the right level of support.

- ☐ Check how your payroll system handles salary sacrifice.
- ☐ Review any setup guides or FAQs from your payroll provider.
- ☐ Confirm it can handle employer-only contributions and contribution caps.

STEP 2 CHOOSE

A few decisions to shape how salary sacrifice fits your business.

- ☐ Will salary sacrifice be the default or optional?
- ☐ Are you covering the whole team or certain roles?
- ☐ Will you reinvest your National Insurance savings into the team's pensions?
- ☐ If yes, what percentage will you reinvest?
- ☐ Are you setting a minimum salary threshold?
- ☐ How will your team opt out if they want to?
- ☐ Do you want payslips to show the contribution breakdown?

Bringing in salary sacrifice might mean updates to employee contracts. Your HR or legal team can help confirm if that applies.

STEP 3 SHARE

Salary sacrifice affects take-home pay, so clear, confident comms are key.

- ☐ Send letters to participating team members. (We've got templates if you need them!)

Make sure every team member gets a written summary showing:

- ✓ Their salary before and after the exchange.
- ✓ Their new pension contribution.
- ✓ How things like bonuses or parental leave are handled.
- ✓ How to opt out or request changes after life events.

STEP 4 LAUNCH

Once you've got decisions and documents in place, it's time to roll out.

- ☐ If you updated any contracts, check they're signed before launch.
- ☐ If you've made changes for salary sacrifice, make sure everything lines up with HMRC guidance.
- ☐ Double-check your pension calculations or run them past your accountant, just to be sure everything's correct.
- ☐ Update payslips so it's all clear and correct
- ☐ Start enjoying savings!

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