

University of Bath examples of potential savings

Example 1 employee earning £24,000 per annum and using nursery 3 days a week

Pre-sacrifice				Post sacrifice			
Monthly salary	£2,000	Tax	£ 275.20	Reference salary	£2,000	Tax	£ 160.00
		NI	£ 142.83			NI	£ 82.93
		net pay	<u>£1,581.97</u>	SMART nursery adjustment	(£576)	net pay	<u>£1,181.07</u>
Nursery costs*			£576.00				
Net after nursery			£1,005.97	Net after salary sacrifice			£1,181.07
Monthly saving				£175.10			

- 3 days a week, with four weeks holiday
- Savings may fluctuate by a few pence each month due to the way that the tax tables operate

Example 2 employee earning £30,000 per annum and using nursery 5 days a week

Pre-sacrifice				Post sacrifice			
Monthly salary	£2,500	Tax	£ 375.20	Reference salary	£2,500	Tax	£ 183.20
		NI	£ 194.83			NI	£ 94.99
		net pay	<u>£1,929.97</u>	SMART nursery adjustment	(£960)	net pay	<u>£1,261.81</u>
Nursery costs*			£960.00				

Net after nursery	£969.97	Net after salary sacrifice	£1,261.81
Monthly saving		£291.84	

Example 3 employee earning £50,000 per annum and using nursery 5 days a week

Pre-sacrifice				Post sacrifice			
Monthly salary	£4,167	Tax	£ 833.86	Reference salary	£4,167	Tax	£ 516.60
		NI	£ 318.78			NI	£ 268.36
		net pay	<u>£3,014.86</u>	SMART nursery adjustment	(£960)	net pay	<u>£2,422.04</u>
Nursery costs*			£960.00				
Net after nursery			£2054.86	Net after salary sacrifice			£2,422.04
Monthly saving				£367.18			

Example 4 employee earning £84,000 per annum and using nursery 5 days a week

Pre-sacrifice				Post sacrifice			
Monthly salary	£7,000	Tax	£ 1967.06	Reference salary	£7,000	Tax	£ 1583.06
		NI	£ 375.44			NI	£ 356.24
		net pay	<u>£ 4,657.50</u>	SMART nursery adjustment	(£960)	net pay	<u>£ 4100.70</u>

Nursery costs*	£ 960.00		
Net after nursery	£3,697.50	Net after salary sacrifice	£4100.70
Monthly saving		£403.20	

- Nursery costs are based on £48 per day over a 48 week period