



let's connect

Your guide to the Smartphone Benefit



Order at: www.rctstaffbenefits.co.uk
or phone for more information: 0330 2000 230

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The benefit and how it works

This Smartphone scheme is a salary sacrifice benefit provided by the employer, designed to make it easier for employees to have access to the latest mobile phones and spread the cost over 24 months. An agreement is generated showing the full terms and conditions, which must be signed prior to delivery.

By agreeing to sacrifice or 'exchange' some of your pre-tax salary in return for the Smartphone package of your choice, you may make savings in National Insurance on the total amount sacrificed.

Through a salary sacrifice arrangement you would normally save income tax, however as this benefit is taxable, these income tax savings are recovered in full by HMRC as Benefit-in-kind Tax (please refer to page four for more information).

You will own the equipment ordered from day one and there will be nothing further to pay at the end of the agreement.

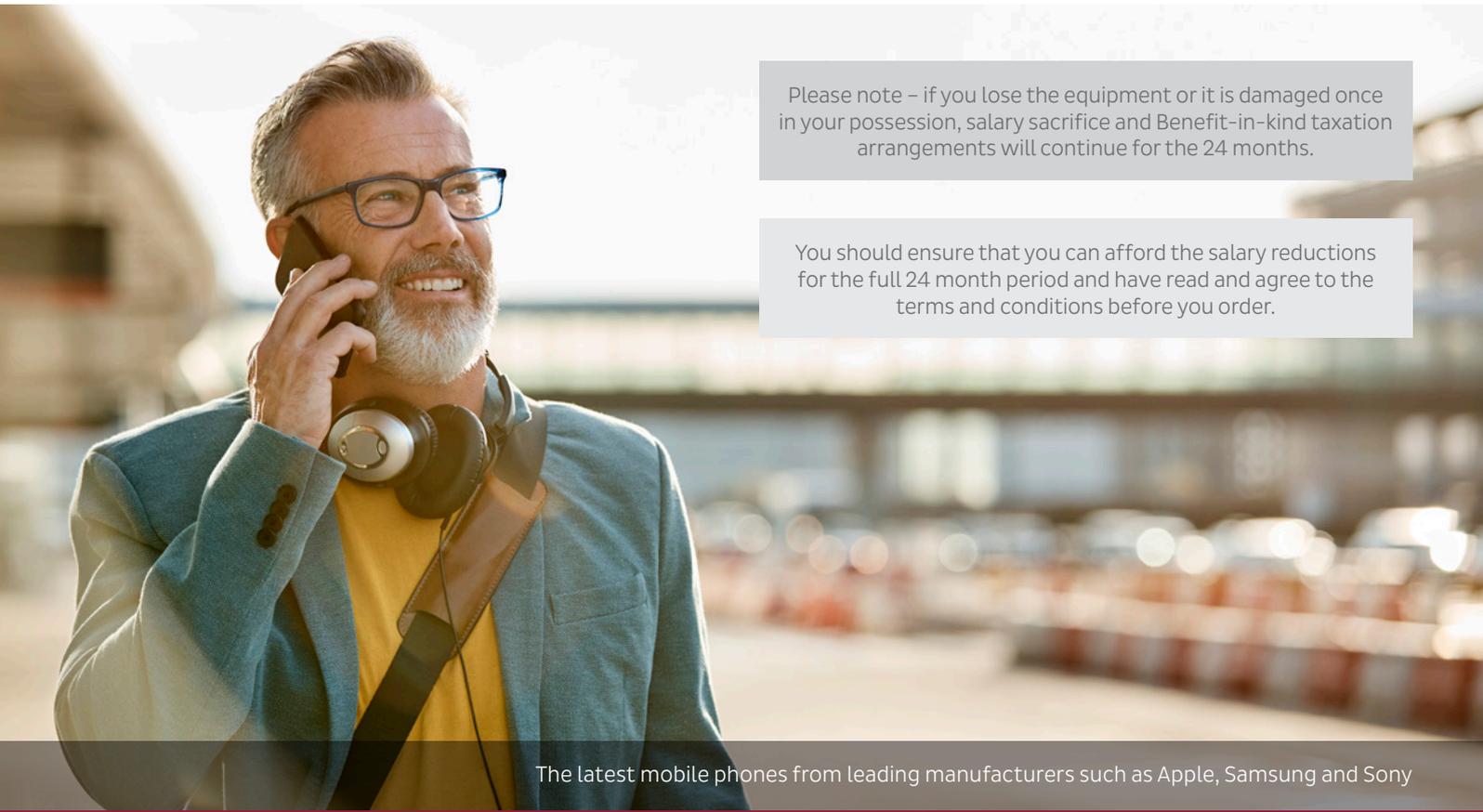
Please note, as the Smartphone is delivered without a SIM card, you will need to source a SIM card and associated tariff from a network provider of your choice.

Who are Let's Connect?

Let's Connect is one of the UK's leading and most well-established technology employee benefit providers - offering the latest in consumer technology. Its team has over 15 years' experience implementing these specialist benefits, running schemes for many well-known, household brands and some of the biggest organisations in the UK.

Please note - if you lose the equipment or it is damaged once in your possession, salary sacrifice and Benefit-in-kind taxation arrangements will continue for the 24 months.

You should ensure that you can afford the salary reductions for the full 24 month period and have read and agree to the terms and conditions before you order.



The latest mobile phones from leading manufacturers such as Apple, Samsung and Sony

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Key features of the benefit

- Let's Connect provides a convenient way to update your phone and spread the cost
- Choose from the latest mobile phones from leading manufacturers such as Apple, Samsung and Sony
- Smartphones are delivered without a SIM card, so you can source a SIM card and associated tariff from a network provider of your choice
- Convenient fixed reduction to your salary over 24 months
- No credit checks, upfront costs or deposits
- Make savings on National Insurance
- Home delivery included
- Further information on what's included can be found at: www.rctstaffbenefits.co.uk
- You can call the Let's Connect Helpline throughout the period of your salary sacrifice arrangement on 0330 2000 230.

How do the deals compare?

When making your comparison it's important to compare a like-for-like package. All Smartphone packages include delivery to your home. Any comparison to a loan or personal finance over the same 24 month term should also be taken into account, as this can significantly increase the cost of a standard purchase.

What happens at the end of the agreement?

At the end of the agreement there is nothing to pay and your salary reduction will cease.

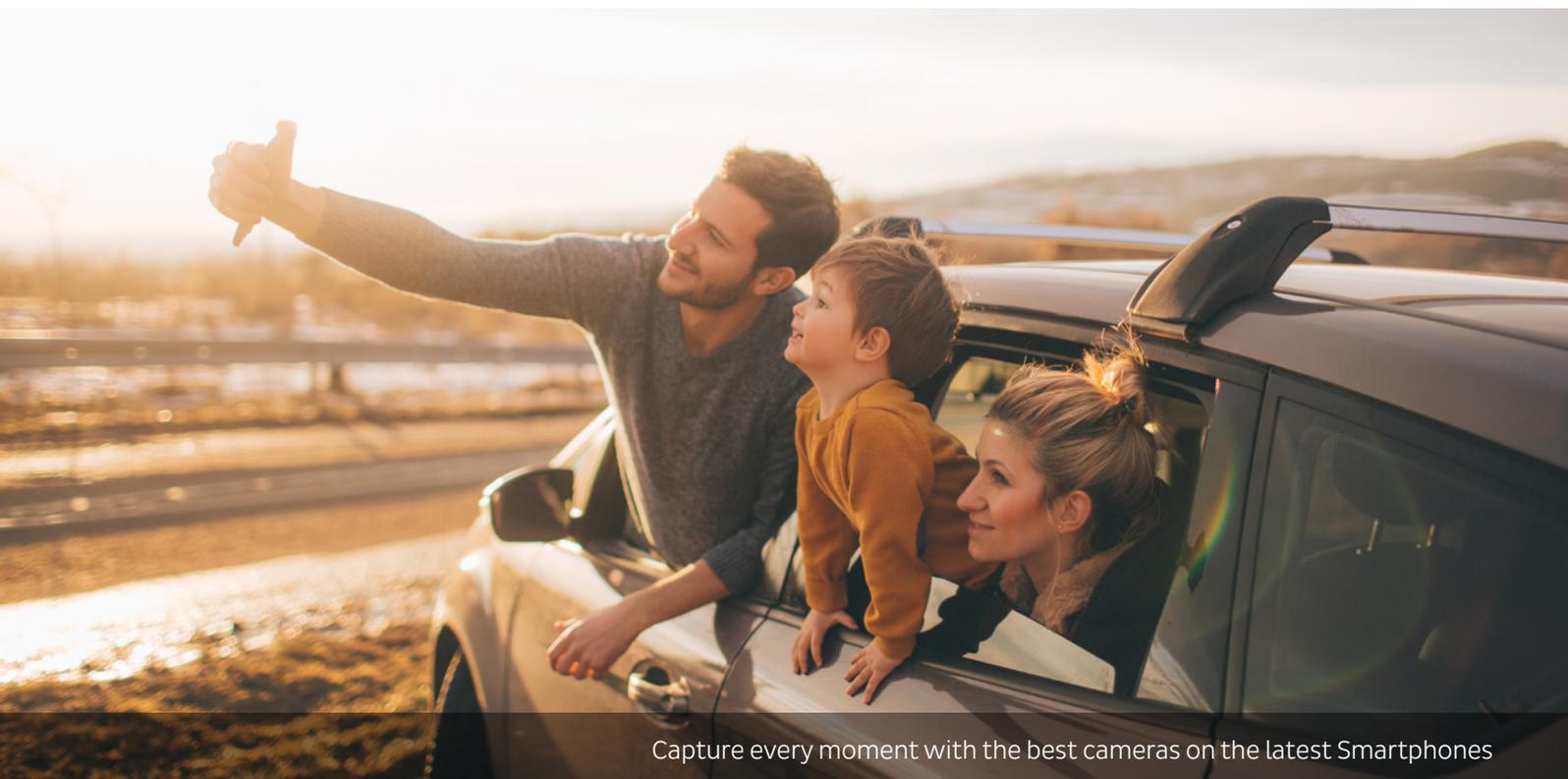
Who owns the equipment?

Ownership of the equipment is transferred to you on day one.

Eligibility criteria

Staff are NOT eligible to access the scheme if on probation. Staff on fixed term contracts can take part depending on the duration of the scheme and how long their fixed contract is.

Please note – if you are a teacher employed by the council your pension contribution will be reduced as the salary sacrifice arrangement is regarded as a non-pensionable emolument. Therefore the net cost of the package will be slightly less than the advertised figure.



Capture every moment with the best cameras on the latest Smartphones

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How does salary sacrifice work?

A salary sacrifice arrangement enables you to make savings on National Insurance at a rate of 12% for basic rate taxpayers and 2% for higher rate taxpayers (these tax bands are subject to change at the discretion of HM Revenue & Customs).

The cost of this benefit is recovered from your gross pay via a salary sacrifice arrangement.

Through a salary sacrifice arrangement you would normally save income tax, however as this benefit is taxable, these income tax savings are recovered in full by HMRC as Benefit-in-kind Tax †.

You will be taxed on the value of the equipment at your applicable tax rate. Due to the ownership of the equipment transferring to you on day one, the full taxable value is reported and paid in year one, with no further Benefit-in-kind Tax paid in year two.

The example illustration below demonstrates how your gross (pre-tax) and net (take-home) pay is affected if you participate in the benefit.

Example Smartphone package transferred on day one			
Example Smartphone package worth £1,000	Year One	Year Two	Total
Reduction to gross pay	£500 (£41.67 monthly)	£500 (£41.67 monthly)	£1,000
Cost to employee			
Less Income Tax savings through salary sacrifice (20% basic rate taxpayer)	-£100	-£100	-£200
Plus Benefit-in-kind tax adjustment (offsets Income Tax savings)	+£200	£0	+£200
Less National Insurance savings (12% basic rate taxpayer)	-£60	-£60	-£120 (12%)
Total net cost to employee through scheme			£880 (saving £120)



† Benefit-in-kind Tax

Processed and paid in full during the first 12 month period

This benefit is considered by HM Revenue & Customs to be a form of income which they refer to as 'Benefit-in-kind'. As this benefit is taxable, income tax savings are recovered in full by HM Revenue & Customs as Benefit-in-kind Tax. Typically, this will be collected via a single adjustment to your tax code in the next available tax year, with the full taxable value being processed over one 12 month period. HM Revenue & Customs may contact you to make alternate arrangements to collect the tax that is due.

All pricing information on the order site includes the full effect of the Benefit-in-kind adjustment, which is averaged over the 24 months of the scheme, to show the monthly equivalent net cost to you for the equipment during the agreement period, so you can review this information before you place an order.

The net effect of this benefit is that you make National Insurance savings only.



**HM Revenue
& Customs**

Order at: www.rctstaffbenefits.co.uk

The order process

1. Choose from the latest Smartphones

Technology and smartphone orders are now “capped” at a cumulative total of £100 per month. For example:

- If you are already committed to paying £100 or over on previous items you would not be able to order further items until one or more of your current items have been repaid
- If you are already committed to paying £60 per month for a previous item(s) then you would only be able to commit to a further order of £40 per month until your current item(s) has been repaid.

If you are currently paying for previous items please check your payslip before ordering.

2. Place your order online at www.rctstaffbenefits.co.uk

For advice on choosing a Smartphone, call the Let's Connect Helpline on 0330 2000 230.

3. Sign your electronic salary sacrifice agreement promptly

Once you have completed your order you must electronically sign an agreement (by ticking the box provided and agreeing to the terms and conditions) detailing the Smartphone you have selected. You will then be emailed a copy of the signed agreement confirming the monthly gross salary reduction.

4. Your employer will carry out eligibility checks

This is to ensure that all employees meet the eligibility set out to allow participation in the benefit.

5. Delivery will be arranged with you

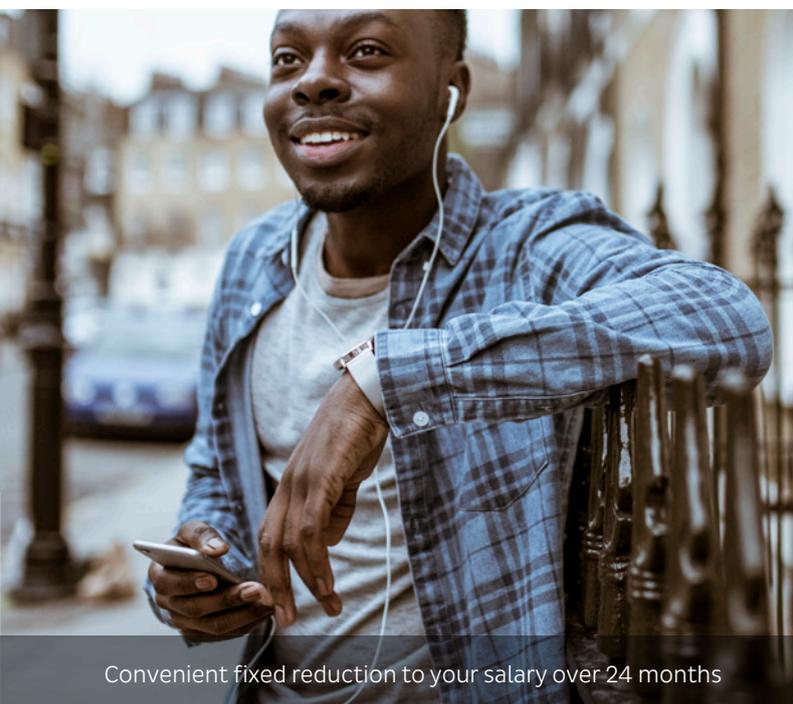
All deliveries are subject to approval and stock availability, and arrangements to deliver your chosen package will only be confirmed via text message or email once your agreement has been signed and your order approved.

6. The equipment is delivered to your home on the agreed date

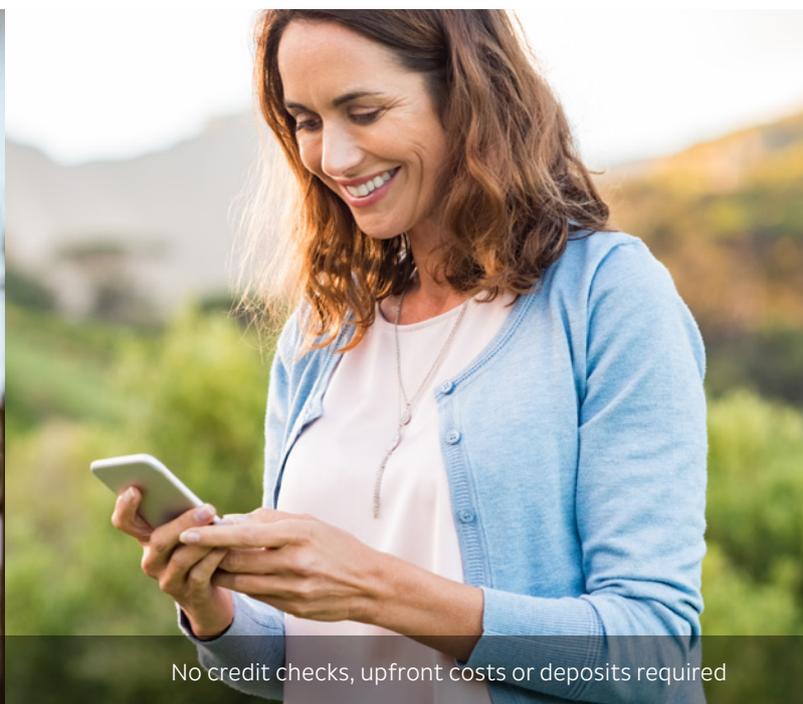
Delivery will be arranged with you for a weekday that's convenient and is subject to stock availability. For security reasons, your employer does not accept personal deliveries at workplaces, so the equipment needs to be delivered to your home, or similar residential address i.e. family, friends as specified by you.

7. Your salary reduction will begin on your next salary pay date following delivery

This will continue on each following pay date for the 24 month period.



Convenient fixed reduction to your salary over 24 months



No credit checks, upfront costs or deposits required



Step 1. **Choose**



Step 2. **Sign**



Step 3. **Delivered**

Want to know more about how the benefit works?

Turn to the frequently asked questions at the back of this guide, or call the Let's Connect Helpline on 0330 2000 230.

Frequently asked questions on the benefit

On the benefit

- 1. What is a salary sacrifice arrangement?**

By agreeing to sacrifice or 'exchange' some of your pre-tax salary in return for the Technology package of your choice, you make savings in National Insurance on the total amount sacrificed. Through a salary sacrifice arrangement you would normally save income tax, however as this benefit is taxable, these income tax savings are recovered in full by HMRC as Benefit-in-kind Tax (please refer to question eight for more information). You are required to sign an agreement, accepting the terms and conditions prior to taking delivery.
- 2. What are the benefits of a salary sacrifice arrangement?**

As an employee exchanges salary, the employee no longer pays National Insurance on the amount sacrificed. In addition, the scheme will allow colleagues to spread the cost of the equipment over 24 months.
- 3. How long does the salary sacrifice agreement period last?**

The agreement period is for 24 months.
- 4. Will this offer be repeated?**

Your employer may run other benefits in the future, however this is not guaranteed.
- 5. Am I eligible for the benefit?**

Staff are NOT eligible to access the scheme if on probation. Staff on fixed term contracts can take part depending on the duration of the scheme and how long their fixed contract is.

Please note – if you are a teacher employed by the council your pension contribution will be reduced as the salary sacrifice arrangement is regarded as a non-pensionable emolument. Therefore the net cost of the package will be slightly less than the advertised figure.
- 6. What is the maximum allowable limit through this benefit?**

Technology and smartphone orders are now "capped" at a cumulative total of £100 per month. For example:

 - If you are already committed to paying £100 or over on previous items you would not be able to order further items until one or more of your current items have been repaid
 - If you are already committed to paying £60 per month for a previous item(s) then you would only be able to commit to a further order of £40 per month until your current item(s) has been repaid.

If you are currently paying for previous items please check your payslip before ordering.
- 7. Who are Let's Connect?**

Let's Connect is one of the UK's leading and most well-established technology employee benefit providers – offering the latest in consumer technology. Its team has over 15 years' experience implementing these specialist benefits, running schemes for many well-known, household brands and some of the biggest organisations in the UK.

Effects on you

- 8. Do I have to pay tax on the benefit?**

Yes. This benefit is considered by HM Revenue & Customs to be a form of income which they refer to as 'Benefit-in-kind'. As this benefit is taxable, income tax savings are recovered in full by HM Revenue & Customs as Benefit-in-kind Tax. Typically, this will be collected via a single adjustment to your tax code in the next available tax year, with the full taxable value being processed over one 12 month period. HM Revenue & Customs may contact you to make alternate arrangements to collect the tax that is due.

All pricing information on the order site includes the full effect of the Benefit-in-kind adjustment, which is averaged over the 24 months of the scheme, to show the monthly equivalent net cost to you for the equipment during the agreement period, so you can review this information before you place an order.

The net effect of this benefit is that you make National Insurance savings only.
- 9. Will the tax rules change during the agreement?**

It is possible that changes in your salary or in HMRC regulations and limits could impact on the net cost of the benefit during the agreement period.
- 10. Will I get any communication from HMRC during the period?**

Yes, you may get written correspondence from HMRC, typically to confirm the arrangements to collect the tax that is due.
- 11. What happens if I go on unpaid leave?**

You will be contacted by your employer regarding the options pertinent to your particular circumstances.
- 12. What happens if I leave my employer?**

If you leave your employer for any reason including redundancy or dismissal on any grounds or you decide to voluntarily take unpaid leave of more than six months before the end of the 24 months agreement period, you will be required to pay a termination fee to compensate your employer for the non-completion of your agreement.

The termination fee you will have to pay will be calculated by multiplying your agreed monthly reduction in gross pay by the number of months remaining to be paid at the time you leave your employer. Once you have paid your termination fee, no further salary reductions will apply. This amount will be taken from your final net pay (that is, your pay after tax, National Insurance and any other deductions have come out) or any other monies owed to you by your employer.

If there is a shortfall, you will receive written notification from your employer that you must reimburse them within 28 days of receipt of the written notification.

If you are aware that your employment is likely to end before the 24 months life of the agreement you should consider very carefully whether you wish to participate in the benefit. Further information can be found on the salary sacrifice agreement.
- 13. I will be retiring before the end of the 24 month agreement period, can I still participate?**

Yes, however, when you leave you will be required to settle the balance in the same way as referred to in Question 12.

(continued overleaf)

- 14. How does the scheme affect the benefits in my contract of employment?**
Where an employee's proposed selection would result in their salary falling below the National Minimum Wage (or Living Wage if over 25) or the lower earnings limit, the application will not be approved and the employee will be advised accordingly. The employee will retain the right to select an alternative, less expensive package. You should be aware that if you agree to participate in the scheme, you agree to exchange some of your salary for 24 months in return for use of the equipment.
As basic pay is sacrificed, eligibility for state benefits may be affected, and also sick pay, maternity pay and redundancy pay could be reduced.
A salary check is made to ensure that colleagues do not drop below the National Minimum Wage (or Living Wage if over 25), and if colleagues leave before the 24 months are up, they will pay a termination fee to pay the gross amount outstanding, or receive an invoice if there is a shortfall. You should consult HR/Personnel and/or an independent financial adviser if you are in any doubt about the financial implications for you.
- 15. Does this arrangement affect my pension or any other benefits?**
Entering into a salary sacrifice arrangement means that your gross pay is reduced by the amount which you select for your chosen equipment. It is important that you are aware that this may have an effect on the following:
entitlement to Working Tax Credit or Child Tax Credit
entitlement to state pension or other statutory benefits such as maternity pay, paternity pay or adoption pay
any other benefits which depend either on actual income or national insurance contributions
More information on the implications of entering into a salary sacrifice scheme can be found on the HMRC website:
http://www.hmrc.gov.uk/specialist/salary_sacrifice.pdf
In addition, if you are a member of the Teachers' Scheme your pension contributions will be based on the reduced salary after salary sacrifice. This may be particularly relevant to you if you may wish to draw your pension benefits within 3 years of completing the salary sacrifice arrangement.
It is your responsibility to ensure that you understand the implications of joining the scheme, either on any potential future state benefits or your pension entitlement. You should satisfy yourself that this scheme is appropriate for your particular personal situation.
- 16. What happens if I take maternity or sick leave during the agreement period?**
You will continue to have use of the equipment and payments from your salary will continue unless you enter into an unpaid leave or SMP/SSP only situation. If you enter a period of unpaid leave due to sickness absence or maternity during the period of salary sacrifice, your salary reduction payments will be suspended by the number of missed monthly reductions to your pay. If you enter into a statutory maternity pay only situation your payments will be suspended by the number of missed monthly reductions to your pay. Once you recommence paid employment your obligation to allow the reduction to your monthly gross pay will resume, continuing until all of the 36 month reductions have been made.
- 17. What if I am absent from work for any other reason?**
If you are in receipt of your normal salary during your absence (not in receipt of any statutory benefits such as SMP or SSP), your salary reductions will continue as per your agreement.
- 18. Are there any other implications for my salary?**
Payments such as overtime or shift payments (which are a percentage of your normal salary) will continue to be made on your normal salary before the reduction for the equipment.
- 19. How much will it cost me?**
Please refer to the pricing on the order site, however the cost to you depends on which package you choose and your own personal tax situation.
All pricing information on the order site includes the full effect of the Benefit-in-kind adjustment, which is averaged over the 24 months of the scheme, to show the monthly equivalent net cost to you for the equipment during the agreement period, so you can review this information before you place an order.
You should ensure that you can afford the salary reductions for the full 24 month period and have read and agree to the terms and conditions before you order.
- 20. When do my payments start?**
Your salary reduction will begin on your next salary pay date, or, in the event of any unforeseen delay in delivery, on the next available salary pay date following delivery, and will be made on each following pay date for the 24 month period.
- 21. Can I elect to make a higher salary sacrifice arrangement amount and shorten the term?**
No, the period is fixed at 24 months.
- 22. Where does my salary sacrifice amount go?**
Your salary sacrifice is collected by your employer, who has arranged for the supply of the equipment on your behalf.
- 23. What happens at the end of the agreement?**
At the end of the agreement there is nothing to pay and your salary reduction will cease.
- 24. Who owns the equipment?**
Ownership of the equipment is transferred to you on day one.

Order and delivery process

- 25. By what date do I need to apply?**
Please refer to: www.rctstaffbenefits.co.uk for details of the final date for orders.
- 26. What happens once I have placed my order?**
Once you have ordered online you will need to sign an electronic salary sacrifice agreement immediately. Arrangements to deliver your chosen package will only be confirmed once your signed agreement is received and your order approved. We advise you to contact the Let's Connect Helpline on 0330 2000 230 to check that your signed form has been received.
- 27. When can I expect delivery?**
Once your order has been approved you will be contacted via text message or email regarding delivery. All deliveries are subject to stock availability. To help the delivery process, you should place your order as early as possible during the order window and sign your electronic agreement promptly. Should you have a query regarding delivery, please call the Let's Connect Helpline on 0330 2000 230.

28. Can I change my mind once I have signed my agreement?

No order amendments will be possible once the order window has closed.

You have a right to cancel the agreement before delivery has taken place and within 14 days, beginning the day after you receive the items you have ordered. At this point, your salary sacrifice and Benefit-in-kind arrangements may have commenced. If this is the case, any salary reductions will be reimbursed through the next available payroll run.

If you intend to cancel the agreement within this 14 day period you should not use the equipment and you should keep it:

- (a) in an "as new" condition;
- (b) in its complete state including any software and accessories and the instructions;
- (c) with the packaging in which it was originally delivered to you; and the seal should not be broken on any DVD, CD or software, except where it has been used for the installation.

You must return the equipment yourself to the address that Let's Connect give you.

29. Can I have the Smartphone delivered to my workplace?

For security reasons, your employer does not accept personal deliveries at workplaces, so the equipment needs to be delivered to your home, or similar residential address i.e. family, friends as specified by you.

Smartphone packages

30. What's included in the Smartphone package?

Please refer to the individual product pages on the order site for specific details on what's included with each package.

Home delivery is included with all packages.

More details on what's included can be found on the order site at www.rctstaffbenefits.co.uk

31. Can I change the specification of the Smartphone packages on offer and what's included?

No. All options available to you are shown on the order site.

32. Do I get a SIM card with my Smartphone?

No. As the Smartphone is delivered without a SIM card, you will need to source a SIM card and associated tariff from a network provider of your choice. All phones are unlocked for use with any network. Please consult your current/future network provider for the type/size of SIM card required to fit the chosen Smartphone ordered.

33. Why should I check the equipment upon receipt and what do I do if items are damaged or parts are missing?

We recommend that all equipment is checked thoroughly for damage (which must be reported to Let's Connect within 48 hours of receipt of goods) and powered up on receipt, **even if it's not intended to be used immediately**. You should notify the Let's Connect Helpline on 0330 2000 230 immediately of any damaged equipment. Missing items must be reported to Let's Connect within seven days.

34. What if I damage the Smartphone or it gets stolen?

If the equipment goes missing or is damaged once in your possession, salary sacrifice and Benefit-in-kind taxation arrangements will continue for the 24 months. You may wish to consider that appropriate insurance cover is in place.

Some packages may be covered by worldwide accidental damage and theft insurance, please refer to the individual product pages on the order site for more information and how to claim. If you require help or have any other queries, please call the Let's Connect Helpline on 0330 2000 230.

35. What if the Smartphone stops working?

Call the manufacturer's warranty line as detailed in your documentation.

Further details about the Apple warranty can be found at: <http://www.apple.com/uk/support/>

For details regarding Samsung warranty, call 0330 726 7864 or go online to:

<http://www.samsung.com/uk/support/warranty/>

Further details about Sony warranties can be found at: <http://support.sonymobile.com/gb/contactUs/>

View details about the Huawei warranty at: <https://consumer.huawei.com/uk/support/warranty-policy/>

36. What do I do if I need to escalate a warranty issue with the Smartphone?

You should call the Let's Connect Helpline on 0330 2000 230 who will take up the query on your behalf, to try and resolve your issue.

37. Are there any mobile phone health issues I should be aware of?

You will no doubt be aware from the press that a lot of information has been published regarding the potential health issues that may arise from mobile phone use. Listed below are a number of sources of information you may find useful:

- Department of Health – Mobile Phones and Health
- World Health Organisation.

Please note – if you lose the equipment or it is damaged once in your possession, salary sacrifice and Benefit-in-kind taxation arrangements will continue for the 24 months.

You should ensure that you can afford the salary reductions for the full 24 month period and have read and agree to the terms and conditions before you order.



let's connect

Contact Us

For further assistance, please call the Let's Connect Helpline on 0330 2000 230 (costs the same to call as a normal landline) or email info@lets-connect.com



0330 numbers cost the same to call as a normal landline. Different rates may apply from mobile phones. All information contained within the guide is believed to be accurate at the time of publishing, and is subject to change without notice. Model shown may be for illustration purposes only and the product could differ from the images shown. Let's Connect shall not be liable for technical or editorial errors or omissions contained herein. All trademarks are the property of their respective owners. Please note – any savings generated are determined by HMRC rules and may periodically change.

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