

# MAC FINANCIAL



*Corporate | Wealth Management*

4 January 2010

## **PRESS RELEASE**

### **MAC Smart Pension**

The Island's leading independent financial advisor has launched a new, innovative approach to pensions in a bid to save employers and employees National Insurance contributions.

Following the recent introduction of a further 1 per cent rise in National Insurance contributions and the UK Government's recent announcement of another 0.5 per cent increase for 2011, which is a further increase to the 0.5 per cent increase already announced for that year, MAC Financial is introducing its MAC SMART Pension.

This pension offering gives employees the opportunity to increase their take-home pay, whilst not affecting any other benefits and decreasing employers National Insurance contributions by up to 12.8 per cent.

The Isle of Man has already announced the 1 per cent rise so there could be further costs to come if the Department of Health and Social Security follow suit with the UK Chancellor's Pre Budget Report proposal.

MAC Financial Managing Director Jon McGowan said: "The MAC SMART pension is a form of salary sacrifice and as a concept has been around for many years. However, the different approach MAC's SMART pension offering takes, together with clarification from the appropriate authorities, means that many of the previous drawbacks of salary sacrifice arrangements have been overcome. The important point is that MAC SMART will work with your existing pension scheme."

The MAC SMART Pension works by participating employees sacrificing a cash salary equivalent amount to the contributions they are making to the company's approved pension scheme and the employer agrees to increase their contributions by an equivalent amount. Employees are notified that the new arrangements will automatically apply from a particular date, unless they opt out in advance. If they do not opt out at the start, employees cannot opt out again until the first anniversary of the commencement of the scheme, unless they experience a 'lifestyle change', such as marriage, birth of a child, separation or divorce, death of a partner or child or change from full-time work to part-time. Participation in the scheme also brings about a change to the terms and conditions of participants' employment and the employee's previous gross salary remains the yardstick for other issues e.g. the calculation of overtime pay, annual salary increases or salary-related benefits.

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**Notes for Editors about MAC Financial:**

- MAC Financial is the Isle of Man's largest Corporate IFA (Independent Financial Adviser) and provides independent, professional advice in the fields of Corporate Pensions, Death in Service, Disability insurance and Healthcare.
- MAC Financial looks after approximately 300 corporate schemes covering 5,500 members
- MAC Financial also offers its own exclusive "FreeSIPP" product, unique in the market place that allows greater investment flexibility and control of the future of an individual's own pension.
- MAC Financial supports Save the Children (Isle of Man) through its "MAC90" protection product, making a real difference to children in Rwanda.
- MAC Financial provides the Post Office Protection Plan, a life insurance product available via the Island's Post Office network

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