

# The Sainsbury's Share Purchase Plan (SSPP)

An easy and flexible way for you to own shares in the Company, and it's tax efficient too!

We are Sainsbury's 

# So what is the Sainsbury's Share Purchase Plan (SSPP)?

SSPP is a great way for you to buy shares in Sainsbury's each period. The shares are bought using your pre-tax pay (before income tax and National Insurance [NI] is deducted), so you do not need to use as much of your take home pay to buy them. Take a look at the example below to see the savings this could give you.

The amount you decide to contribute is entirely up to you - it's what you can afford. It can be anything from £8 to £115 per period (or up to 10% of your pre-tax pay, if this is lower). The great thing about SSPP is that you can start, increase, reduce or stop the amount you pay into the Plan at any time - it's really flexible.

**It's got great tax benefits**

**I joined because it's flexible, I can change my deduction amount each period**

## Example\*

- 4-weekly contribution = £21**
- Share price when shares bought = £3.00**
- Number of shares you buy = 7**

As your shares are bought using your pre-tax pay they cost you less	
<b>32% off</b> (20% tax, 12% NI)	Each share bought for £3.00 could cost a basic rate taxpayer as little as £2.04 of their take home pay.
<b>42% off</b> (40% tax, 2% NI)	Each share bought for £3.00 could cost a higher rate taxpayer as little as £1.74 of their take home pay.
<b>47% off</b> (45% tax, 2% NI)	Each share bought for £3.00 could cost a top rate taxpayer as little as £1.59 of their take home pay.

## See your share of Sainsbury's grow

The number of shares you buy each period depends on how much you decide to spend. It also depends on the share price at the time we buy the shares for you.

\*Based on a share price of £3.00 used for illustration purposes only and using tax rates at April 2013.

# Should I join?

It's entirely up to you but you should be aware of a few things before you decide whether or not to join the Plan:

- As you are buying shares you must always be aware that share prices can go down as well as up.
- If you receive any income related benefits, joining the Plan may affect these because you will be paying less NI. For more information the leaflet IR177 is available from the HMRC website [www.hmrc.gov.uk](http://www.hmrc.gov.uk) or you could speak with the Citizen's Advice Bureau or an Independent Financial Advisor.
- To remain completely free of tax and NI, your shares must remain in the Plan for 5 years from the purchase date, unless you leave the Company for one of the reasons listed in the first table on page 6.
- You do not have to apply straight away. Once you have completed one year's service, you can join SSPP at any time.
- You can start, increase, reduce or stop the amount you pay into the Plan as often as you like.

## Receive cash dividends on the shares you buy

**If you choose to sell some or all of your shares whilst they are in the Plan, you will make a profit if the Sainsbury's share price when you sell is higher than the price you purchased the shares at, and as an extra bonus, there is no capital gains tax on any profit.**

**You can call the Helpline  
on 0844 472 6110  
between 8.30am and 5.30pm  
Monday to Friday**

## Join today!

All you need is your Shareholder Reference Number (SRN) and PIN to join at [www.computershare.co.uk/sainsbury](http://www.computershare.co.uk/sainsbury) or call **0844 472 6110** for an application form.

# Any questions?

**This section will hopefully answer any questions you still have.**

The Share Plans page on Sainsbury's Connect Site is a helpful source of information too. Just go to the home page and select I need... Help with... Share Plans.

## **Q. Am I eligible for SSPP?**

**A.** As long as you are a permanent Sainsbury's colleague with at least 12 months continuous service then you are eligible to join SSPP.

## **Q. How much can I contribute?**

**A.** Any amount between £8 and £115 per pay period, but it must be in multiples of £1 and is capped at 10% of your pay, if lower.

## **Q. How long does the Plan last?**

**A.** There is no fixed term. SSPP has been running for over 10 years now and we hope it will continue for many more.

## **Q. Are my statutory benefits affected by joining SSPP?**

**A.** By joining SSPP you may reduce the amount of NI you pay, as your shares are bought from your salary before tax is taken. This means that your entitlement to statutory benefits (such as maternity pay, social security benefits and statutory sick pay) may be affected if your NI contributions are too low. For more information the leaflet IR177 is available from the HMRC website [www.hmrc.gov.uk](http://www.hmrc.gov.uk) or your local tax office.

## **Q. How can I change, stop or restart my payments?**

**A.** You can do this easily online at [www.computershare.co.uk/sainsburys](http://www.computershare.co.uk/sainsburys). Just click on My Holdings>Contributions, then select SSPP from the drop-down box and select Change. Input the payment amount you want in the New Contribution Amount box, putting in 0.00 if you want

to stop payments. If you want to re-start payments, just input your new amount when you're ready. Alternatively, you can contact Computershare and request a 'Payment Change Form'. Your change will be actioned from the next available pay run (this may not be your next payday).

## **Q. If I'm a relevant colleague, is there anything else I need to know?**

**A.** You can't join the Plan during a close period, however, if you are already in the Plan you can continue with your regular share purchase but can't amend your contribution amount or sell any of the shares you hold within the Plan.

## **Q. What happens if I leave Sainsbury's?**

**A.** On the date you leave the employment of Sainsbury's, you will automatically leave the Plan and will receive a letter outlining the choices available to you. You then have 30 days to make a decision.

• **Resignation** - If you resign from the Company before the shares have been held in the Plan for the full 5 years, income tax and NI will be payable (see 'How do I transfer or withdraw my shares?' on the next page). Sufficient shares will be sold to cover this, the remaining shares will then be released to you. Please see the table on page 6.

• **Redundancy, retirement or medical dismissal** - If you leave the employment of Sainsbury's due to redundancy, retirement or medical dismissal, all your shares will be released to you from the Plan free from income tax and NI even if they have been held for less than 5 years.

- **Death in service** - If you die while your shares are still in the Plan, they will be released to your personal representatives and no income tax or NI is payable even if they have been held for less than 5 years.

**Q. How will I know how many shares I have in SSPP?**

**A.** Computershare who administer the Plan on our behalf will issue a statement annually in April. Alternatively, you can log-on to [www.computershare.co.uk/sainsburys](http://www.computershare.co.uk/sainsburys) at any time to review your holdings or you can call Computershare on 0844 472 6110.

**Q. Will I get dividends on my shares?**

**A.** When Sainsbury's pays a dividend to its shareholders, you will be entitled to receive it too (usually twice per year). It will be paid into the bank account you have registered with Computershare. If no bank account details are held a cheque will be sent to your home address.

If Computershare hold your email address you will receive an email from them after each dividend payment informing you that your dividend tax voucher is available online. Otherwise a consolidated paper tax voucher will be sent to you once per tax year, in January.

**Q. How do I sell my shares?**

**A.** You can sell your shares easily online at [www.computershare.co.uk/sainsburys](http://www.computershare.co.uk/sainsburys), just click on Transact>All Transactions, then click on Sell. Once a sale is submitted, you will receive an acknowledgement email confirming the sale. Alternatively, you can contact Computershare on 0844 472 6110 for further information.

To get the full tax benefit from the Plan, it is a requirement that your shares remain in the Plan for 5 years from the purchase date. If you sell any shares that were purchased less than 5 years previously then you may be

liable for income tax and NI. Sale proceeds which are not subject to income tax and NI deductions will be paid into your registered bank account (or posted by cheque if no bank details are held) within 5 working days. Where sale proceeds are subject to income tax and NI deductions, the proceeds will be returned to you via Payroll.

**Q. How do I transfer my shares out of the plan and into my own name (share certificate)?**

**A.** You can transfer any of your tax free shares (referred to as 'unrestricted shares' online and on your annual statement) into your own name by logging on to [www.computershare.co.uk/sainsburys](http://www.computershare.co.uk/sainsburys). Just click on Transact>All Transactions>Transfer or contact Computershare on 0844 472 6110 for further information.

If your shares are taxable (i.e. purchased less than 5 years ago) you cannot transfer them to a share certificate, you can only sell them.

**Q. Can I transfer my shares to somebody else?**

**A.** If you wish to transfer your shares to somebody else, you must first transfer the shares into your own name and wait for receipt of your share certificate. You then complete a Stock Transfer Form which you must complete and return with your share certificate to the Company Registrars, Computershare Investor Services PLC.

You can download a Stock Transfer Form by logging on to [www.computershare.co.uk/sainsburys](http://www.computershare.co.uk/sainsburys) then clicking on 'Company Info' and 'Downloadable Forms'. Alternatively, contact Computershare on 0844 472 6110 who will arrange to send you a Stock Transfer Form.

**I like owning a part of the business**

**Q. What are the main differences between SSPP and Sharesave?**

**A.** SSPP is the purchase of shares using deductions from pre-tax salary. You can start, stop or amend the level of deductions whenever you wish.

Sharesave is a savings plan using deductions from post-tax salary which you can use to purchase shares at the end of the savings term at a set option price or take the money instead. You cannot increase or reduce the level of deductions after you have joined the Plan.

**Q. Will I be liable for Capital Gains Tax?**

**A.** If you instruct Computershare to sell your shares directly from the Plan, you will have no Capital Gains Tax ('CGT') liability. However, if you initially withdraw shares from SSPP, hold them in your name and subsequently sell them at a later date, you may be liable to some CGT.

**Q. What happens to my shares if I leave the Plan?**

**A.** If you leave Sainsbury's for any of these reasons:

- retirement
- redundancy
- a transfer of employment under TUPE regulations
- a takeover or sale of the Company
- death

**you are able to withdraw your shares free of income tax and NI**

If you are dismissed, resign or wish to withdraw or sell the shares you have bought and:

Your shares are:	What happens:
<b>Less than 3 years old</b>	enough shares will be sold to pay the income tax and NI due on the value of your shares when you take your shares out of the Plan
<b>More than 3 years but less than 5 years old</b>	enough shares will be sold to pay the income tax and NI due on the lower of (a) the price paid to purchase your shares; and (b) their market value on the day you remove them from the Plan
<b>More than 5 years old</b>	you will receive all your shares completely free of income tax and NI

**If you have any other questions, please call Computershare on 0844 472 6110 between 8.30am and 5.30pm Monday to Friday**

## Buy shares without any broker or admin costs

# So how do I apply?

There are four easy steps to apply today

- 1** Have your **Shareholder Reference Number (SRN)** to hand - this can be found on your invitation letter.
- 2** Have your **PIN** ready - you may already have been notified of your PIN in a separate communication (date of birth in the format DDMMYYYY), or visited the website and changed your PIN when prompted. If not, then a PIN will be sent to you separately. If you have forgotten your PIN, please select the 'Forgotten PIN' link on the website.
- 3** Decide how much you want to save (£8 to £115 per pay period).
- 4** Apply - choose an application method to suit you!  
Online at [www.computershare.co.uk/sainsburys](http://www.computershare.co.uk/sainsburys) and follow the instructions. You will then receive an acknowledgement number followed by a confirmation email. **Or**  
Call 0844 472 6110 for an application form. Ensure you complete and check all fields (especially your name, address and NI number).

**Make sure you sign and date the form before you return it!**