



Ultra Low Emissions Salary Sacrifice Scheme

Car ownership that benefits employees, business and the environment

Salary Sacrifice schemes are a great way to enhance your employee benefits package and generate real savings for your business.

Fleetdrive can ensure you enjoy a scheme that motivates, attracts and retains staff while at the same time saving you money and ensuring you meet your commitments for Corporate Social Responsibility.

As the UK's leading provider of leased low-emission vehicles, we bring our specialist knowledge and fleet management expertise directly to your door. Our helpful team can assess your fleet requirements and identify the real opportunities for cost-savings and practical usage, taking into account your business needs, to identify which low-emission or electric vehicles provide the best solution. We then help you create your own tailored scheme and make everything easy to implement.

Our **Ultra Low Emissions Salary Sacrifice Scheme** can be applied either as a stand-alone benefit or to enhance your existing package.

- Employees pay a monthly fee for their vehicle, which is deducted from their salary before tax or National Insurance is calculated. Once implemented, you will both enjoy lower National Insurance contributions for the duration of the scheme.
- Any permanent employee is eligible provided they're aged between 18 and 78, have been with your organisation for 6 months continually, are a UK taxpayer and comply with the inclusive insurance policy.
- We can supply scheme guides and communication material to help showcase its benefits to your employees.
- We provide driver training to ensure that electric vehicles are used appropriately, effectively and efficiently to optimise the benefits.
- We can also help you set up workplace charging equipment. The ability to charge at work can potentially double an EV driver's all-electric daily commuting range and can be an essential factor in operating EVs as part of a fleet. With Government grants available, now is the best time to get your business on-board with the Electric Vehicle revolution.

Surveys regularly confirm that a company car remains one of the most desired benefits an employer can offer its workforce. To some, it can be the difference between accepting a job offer or not, leaving or staying, it often has a direct impact on morale.

It is widely accepted that there is a big financial benefit to the employee if they receive a company car compared to operating a similar vehicle privately. The benefits do not end there. Company car drivers are sheltered from the risk of unforeseen running costs; a good fleet management company is also on hand to arrange for servicing and repairs and to deal with any issues that arise from accident management to end of contract renewal. It is all these advantages and many more, that make a company car so appealing for an employee.

Salary Sacrifice is the current and most promising method to provide a company car to those who are not traditionally entitled to a car or cash allowance with little or no additional expense to the employer.

The driver does have to sacrifice some of their salary to fund the cost of providing the car but it is often competitive, if not significantly cheaper, than funding a similar vehicle elsewhere in the marketplace due to the associated tax advantages and the high levels of corporate discounts available on both the purchase price of the car and its servicing costs.

Not forgetting all the other advantages that are associated with fixed cost motoring and fleet management.

Typical Savings

Salary Sacrifice works because it effectively reduces an employee's gross pay, the amount that is normally exposed to PAYE and National Insurance. Instead of being paid their full salary, an employee can receive instead an equivalent non cash benefit such as child care vouchers.

As less tax and National Insurance Contribution is payable, it provides a 'discount' towards the cost of the benefit provided, making it financially attractive for both the employee and employer.

Employee cost calculator*

These are typical savings that an employee can make through our Ultra Low Emission Salary Sacrifice Scheme: Kia Soul EV

Term	36 Months
Mileage Per Annum	10,000
Taxable List Price	£30,440
CO2	0g/km
Tax Rate	20%
Company Car Tax	9%
Employee Nat. Ins. Contribution Rate	11%
Employer Nat. Ins. Contribution Rate	13.8%

Finance Rental	£197.72
Service Rental	+£14.32
Monthly Rental	£212.04
Gross Cost	£231.81

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PAYE Tax Saved	-£71.86
Benefit in Kind	+£45.66
Adjusted Cost	£205.61

Normal Personal Lease	£261.77
Adjusted Cost	-£205.61
Salary Sacrifice Savings	£56.16

*Prices quoted are correct as at 10/2017

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Gross Cost	£231.81

National Insurance on Salary	-£31.99
National Insurance on Benefit in Kind	£6.30
Net National Insurance Savings	-£25.69

Salary Sacrifice is very different to an Employee Car ownership Scheme on many levels, for instance the ownership title does not pass to the employee so it remains very much classified as a company car from a Benefit In Kind (BIK) perspective.

With newer and more fuel-efficient vehicles, you'll improve your and your employees' environmental credentials, and the way the scheme is designed, you can decide how the cost savings are shared.

When considering a Salary Sacrifice scheme it is important to remember that it is intended to operate as a standard company car provided through a Contract Hire arrangement between the employer and the leasing company even though the employee contributes towards its cost though the Salary Sacrificed.

All the advantages of fixed cost motoring that a traditional company car driver and their employer enjoy are true and still available under Salary Sacrifice.

Employee Benefits

- Cost-effective new car ownership with predictable and low running costs
- Significantly lower cost of ownership (and potential cash injection if they sell existing car)
- Reduces National Insurance contributions
- Includes full maintenance, breakdown cover and insurance
- Can reduce fuel spend through pure electric or hybrid vehicles
- 24hr driver support line

Business benefits

- Supports engagement, recruitment, motivation and retention across total employee base
- Reduce costs through lower National Insurance contributions
- ULEVs are exempt from road tax
- 100% discount on London Congestion Charge
- Supports Duty of Care obligations with newer, safer vehicles
- Promotes greener, more efficient cars that reduce your carbon footprint
- Supports your Corporate Social Responsibility commitments
- Helps manage your 'grey' fleet

Environmental benefits

- Reduced carbon footprint
- Zero carbon emissions from electric vehicles
- The larger your fleet, the greater the CO2 savings



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