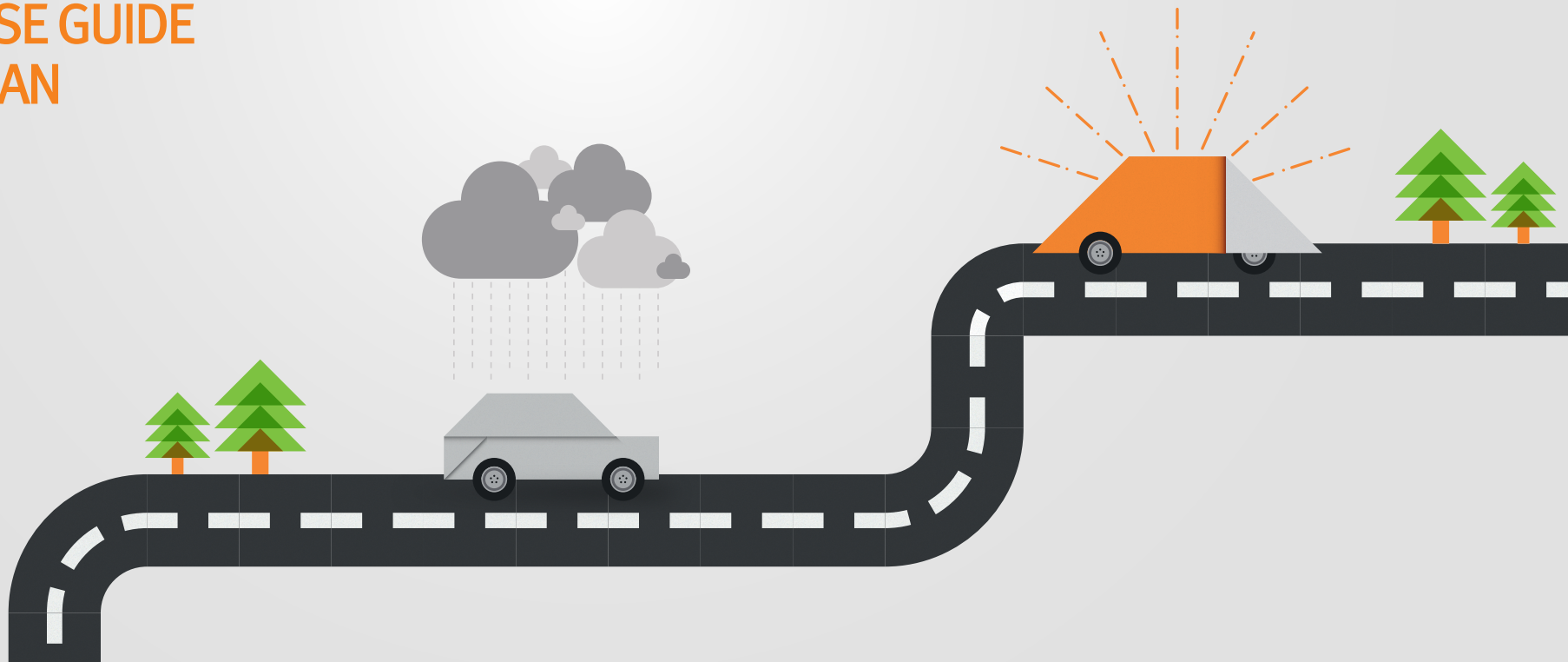


# WHAT IS SALARY SACRIFICE FOR CARS... AND WHY WOULD YOU OFFER IT TO YOUR EMPLOYEES?

A NO-NONSENSE GUIDE  
FROM LEASEPLAN



# IT'S REALLY QUITE SIMPLE:

Salary Sacrifice for cars is the most affordable way for your employees to drive a new car.

That's because – like tax-free childcare vouchers and Cycle to Work schemes – they can use their salary before tax and National Insurance are taken out, giving them much more spending power.

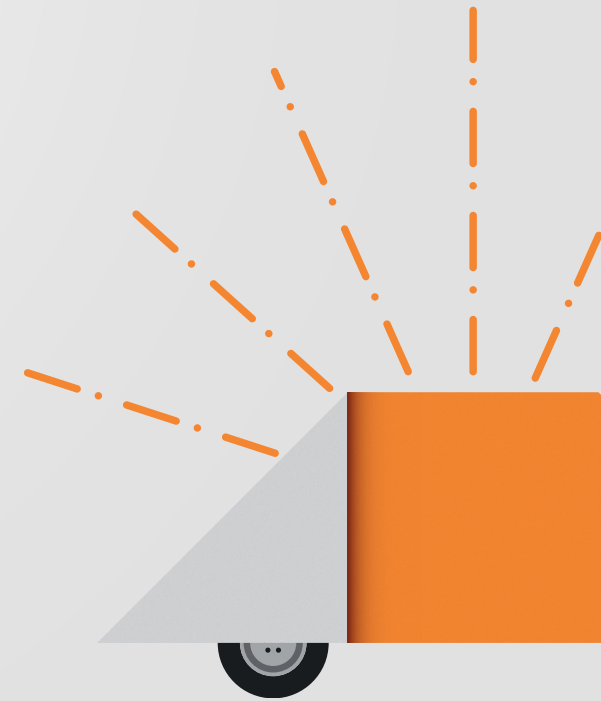
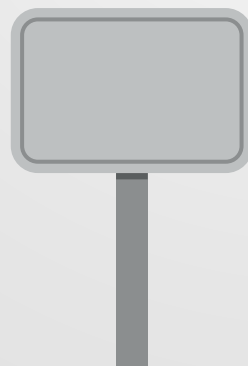
Add insurance, all-inclusive maintenance, breakdown cover and the rest (plus an impressive discount on the car itself) and that's a lot of happy, worry-free staff.

But it's not just a nice perk; there's plenty in it for your organisation too:

- **Tax and National Insurance savings**
- **Lower 'grey fleet' risks and mileage claims**
- **Improved staff recruitment and retention**
- **Lower carbon footprint (yes really, read on...)**
- **Potential to offset against salary increments**

It's not even difficult to set up and run. Here at LeasePlan, our experts are ready and waiting to help. (And our Salary Sacrifice scheme, SalaryPlan, is already offered to thousands of UK employees, so we've plenty of experience.)

Let's look in a bit more detail...



For the most part, your employees' cars are pretty indispensable.

It's quite likely they're often used for day-to-day work. And if they're not, it's still usually a car that'll get them to work in the morning, and safely home at night.

And importantly, staff like it that way. Company bus passes, bike racks and lift share schemes all have their place – but when you look at hard facts and research figures: mostly, people just like to drive, and they don't want that to change.

Yet that doesn't mean you can't still make a positive difference as their employer. You can make it easier for

them to drive a car that's more reliable, more practical, and has the latest safety features. That's good news for them, and – especially if they're using the car for work – helps to fulfill your Duty of Care obligations.

What's more, because new cars are so much more efficient, you can even help workers reduce their fuel bills – and your environmental impact – by providing an option which means employees don't have to change their lifestyle to manage their commute.

## THE PROBLEM:

### Survey: UK Commuter Behaviour

88% regularly commute by car

73% sometimes use their car for work

64% say they have no alternative transport

(Only 26% would like an alternative anyway)

Source: 7,468 responses to Dods Research, Sept-Oct 2014



Salary Sacrifice for cars brings together the best bits of personal leasing, company cars, and the tax-efficient payment schemes you already know.

**1.** The employee can choose a safe, reliable new car from your approved provider list every 2-3 years, and at the end of the contract they can:

- a.** exchange the car for a new one
- b.** buy it at an advantageous rate
- c.** simply hand it back

And there's no initial deposit, and no credit checks needed.

**2.** Like Cycle to Work, childcare vouchers and corporate healthcare schemes, they pay for the car by agreeing to a reduction in their gross salary in exchange for the benefit of a car, making significant savings in National Insurance and Income Tax.

**3.** Like a company car, we take care of the extras:

- **insurance**
- **servicing**
- **breakdown cover**
- **glass and tyres**
- **accident management**

All these are included in the price, so they've nothing to worry about (for you and them). Also like a company car, you pay a much lower rate for mileage expense claims when they use the vehicle for work.

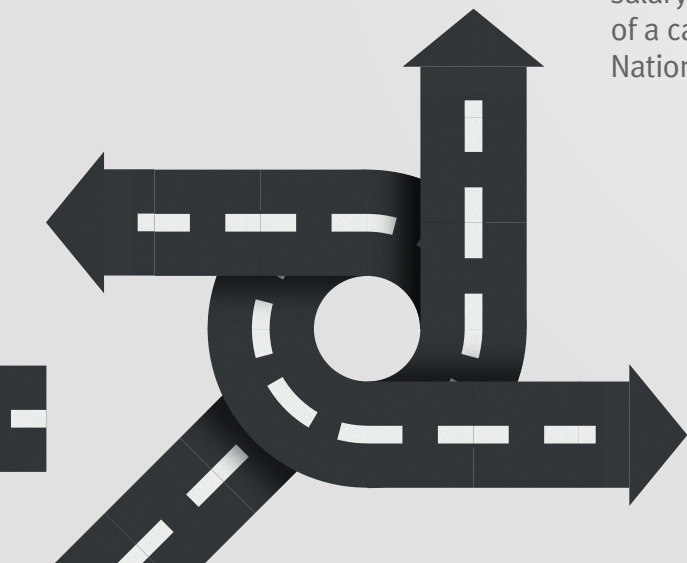
It's easy for the employees – and easy for you, too. Because we know you're busy, our experts can advise you on all the key choices, set up your scheme to deliver the right mix of benefits, and help you explain the scheme clearly and simply to your employees – we'll even give them unbiased advice on which car to choose, and run the whole thing through a straightforward online portal, dedicated to you.

## WHAT DO EMPLOYEES LOOK FOR IN A CAR?

Top priorities when choosing a new vehicle:

1. Reliability
2. Running cost
3. Practicality

Source: 7,468 responses to Dods Research, Sept-Oct 2014



Depending on their tax band, most employees will increase their spending power by between 30% and 45% thanks to savings on Income Tax and National Insurance.

But it doesn't stop there.

Being part of the world's largest leasing company has its benefits – including big discounts with car manufacturers, so we're able to negotiate very significant discounts with all the major car makers – and we extend those to our SalaryPlan customers, the same as we do with fleet car users.

Our SalaryPlan customers also benefit from our global economies of scale with insurance, maintenance, servicing, tyres and glass, so we can offer an all-inclusive package for a low monthly cost, making the deal virtually unbeatable.

In fact, the only other cost for your employees is fuel – and because newer cars are so much more fuel efficient, they'll likely make a saving there too. And because of the way Vehicle Excise Duty (road tax) is structured, the more efficient the car, the bigger the saving – rewarding your staff still further for cutting their emissions.

After their rent or mortgage, transport costs are most households' biggest expense\*. By helping employees save on their car, you'll make their wages go significantly further.

\* Source: Office for National Statistics: Living Costs and Food Survey 2013

## WHAT ABOUT COMPANY CAR TAX?

Yes, a SalaryPlan car technically counts as a company car, so employees do need to pay Benefit in Kind tax accordingly... **but even including this, Salary Sacrifice is still usually the cheapest way to drive a new car.**



CAUTION:  
**LOW COSTS  
AHEAD**



You can't solve all your employees' worries in life. But it's easy to prevent car problems and unexpected bills – and that's got to help.

It's part of your Duty of Care to your employees to help ensure their wellbeing – but more than that, it's simply good business sense. Workers are less productive when they're distracted by worries, and deliver their best work when they're happy and engaged.

There are other, practical considerations. An old, unreliable car can stop people arriving on time; worse still, if they're using it for work purposes, it could leave them stranded on delivering essential services (think about impact of community midwife, community nurses, occupational health therapists, care assistances, doctors on call, Health & Safety officers, Housing officers, etc.)

With SalaryPlan, you can offer your employees the opportunity to rule out car worries:

- **A reliable, modern car that'll start first time in the morning, and is less likely to break down in the middle of nowhere**
- **A fixed, monthly cost covering all their motoring expenses (except fuel)**
- **No sudden bills for servicing, tyres or glass**
- **Five-star breakdown recovery as standard**
- **Fully comprehensive insurance**
- **24-hour emergency accident management helpline**
- **Professional, unbiased support to help them choose the perfect car**

In short, they benefit from the same level of worry-free support as our top company car packages – with the reassurance of a good value at a low price.



# LOWER RISK. LOWER COST. NO CATCH.

As an employer, SalaryPlan reduces your exposure to risk – and mileage claims – from your ‘grey fleet’.

In the public sector, evidence from the OGC indicates that grey fleet makes up around 57% of total road mileage. Across the whole sector, this could add up to as much as 1.4 billion miles every year. And that’s potentially a big headache for you.

For one thing, all those mileage claims are expensive – they cost UK organisations billions of pounds per year. With a Salary Sacrifice for cars scheme, you’re no longer paying a premium for wear and tear on employees’ cars.

Worse, then there’s the administrative nightmare of ensuring all those ‘grey’ cars are genuinely safe, roadworthy, and appropriately insured... providing your workers with cost-effective access to safe, legal vehicles helps to satisfy this duty, and limits your liability should the worst happen.

## SALARY SACRIFICE FOR CARS: KEY EMPLOYER BENEFITS

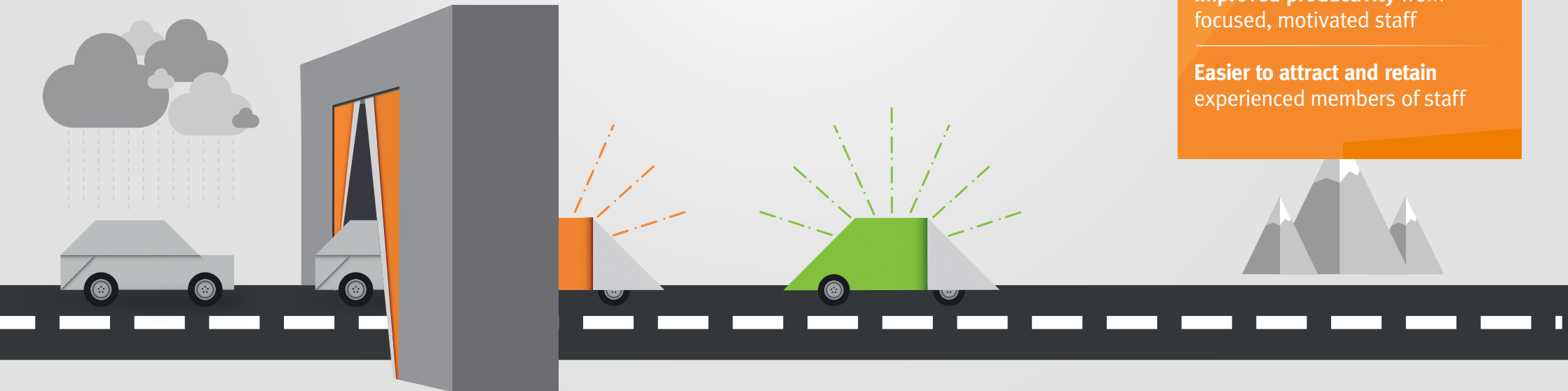
**Direct cost savings** from National Insurance contributions and, potentially, salary increments

**Additional cost savings** on mileage claims and staff recruitment expenses

**Reduced risk** and administration from ‘grey fleet’ of employees’ own vehicles

**Improved productivity** from focused, motivated staff

**Easier to attract and retain** experienced members of staff



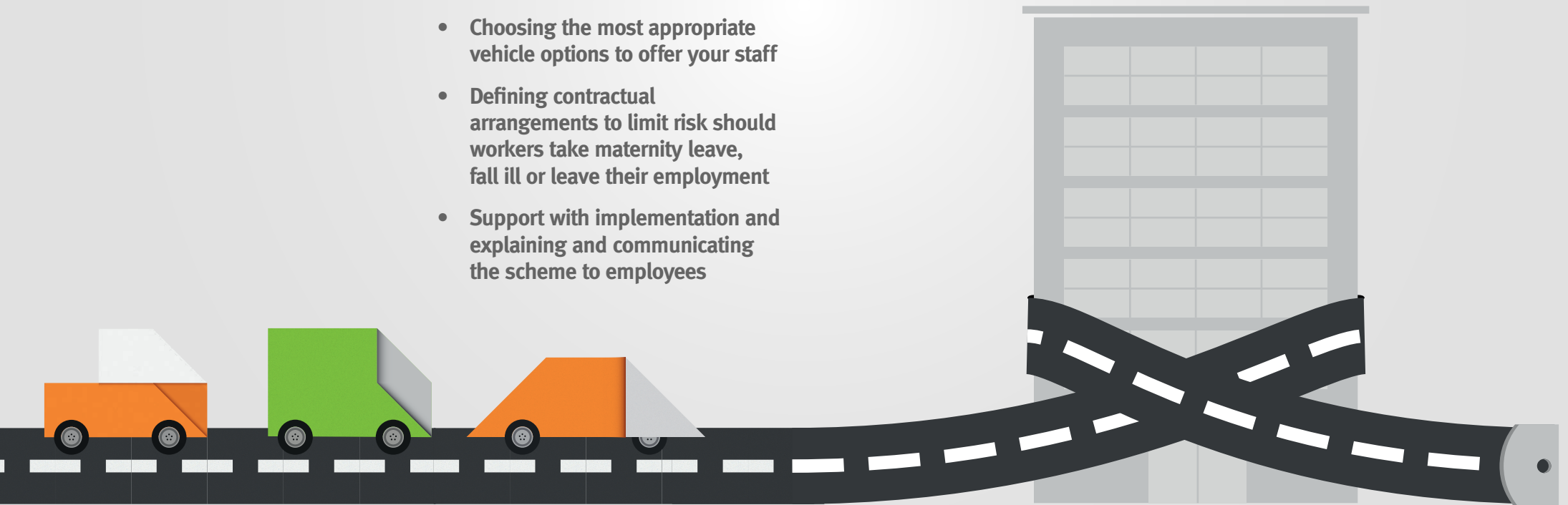
With endless options at their fingertips, our experts will fine-tune your scheme to deliver your key priorities.

Ultimately, it's your SalaryPlan scheme. And each organisation is individual – so first of all we'll listen, and come up with the right setup and delivery to increase the benefits that mean the most to you:

- **Striking the right balance between maximising financial benefits for employees and minimising your costs**
- **Choosing the most appropriate vehicle options to offer your staff**
- **Defining contractual arrangements to limit risk should workers take maternity leave, fall ill or leave their employment**
- **Support with implementation and explaining and communicating the scheme to employees**

It really is that easy.

Since 2010, we've been helping organisations deliver Salary Sacrifice for car schemes that are absolutely right for them – trust us to ask the right questions, and find you the perfect fit.





If you have questions – or even a passing interest in a Salary Sacrifice for cars scheme – the next step is to have a chat with one of our Salary Sacrifice experts.

We think you'll love SalaryPlan. After all, we've set up dozens of schemes, covering thousands of employees in the UK alone, and once it's in we've never had an employer take away this valuable benefit to date.

We put that down to helping you to make great choices that you – and your employees – are really happy with in the long term. That means listening hard, and giving you (and them) clear information, and good, honest advice.

It's also because we make everything as easy as possible.

But ultimately, the only way to find out how well the scheme fits you is to call us for a frank, open chat about your priorities, aspirations and concerns. Even better, speak to one of our customers who will tell you how SalaryPlan has made a difference to their employees.

We look forward to hearing from you.

Tel: 01753 802098

Email: [newbusiness@leaseplan.co.uk](mailto:newbusiness@leaseplan.co.uk)



At LeasePlan we know that as a Public sector organisation, you've got loads of things to figure out on your own.

Your fleet isn't one of them.

We run hundreds of fleets from passenger car battalions in the Health Sector to Minibuses for schools and Local Government gritters and sweepers (and everything in between).

And we help organisations plan, run and maintain professional, compliant and cost-efficient fleets that get the job done and save them money.

We do it from tender to termination of contract, from paper push to petrol pump. And we know that it's all about making the individual requirements and sector-specific regulations come together in a whole-life picture they're comfortable with.

## WANT TO KNOW MORE?

Tel: 01753 802098

Email: [newbusiness@leaseplan.co.uk](mailto:newbusiness@leaseplan.co.uk)

