



Salary Sacrifice

An Introduction to
SALARY SACRIFICE

VEHICLE CONSULTANCY in partnership with
GROSVENOR GROUP AND FLEET EVOLUTION

INTRODUCTION TO SALARY SACRIFICE

Sometimes products or services grow suddenly in popularity but, within the fleet sector, it's hard to recall an occasion when a funding solution grew at such speed.

Yet, that's precisely what is happening with Salary Sacrifice which is growing at such rapid pace that it makes sense for those in finance, HR and fleet to find out what all the fuss is about!

The rapid growth is due to the very low Benefit in Kind tax (BIK) on Electric Vehicles (EV), that has resulted in Salary Sacrifice becoming the cheapest method by far to source an EV.

Put simply, if an employee decides to sacrifice a portion of their salary in exchange for an Ultra-Low Emission.

Vehicle (ULEV) or EV, the amount of Income Tax and National Insurance contributions they pay will reduce.

The employer then provides the employee with a fully funded maintained and insured vehicle, on which the employee pays very low Benefit in Kind (BIK) tax, providing an immediate saving compared to funding it through a personal lease.

The employer gains by making Class 1A National Insurance savings as well as offering an additional staff benefit, at no extra cost.

Through a 10 - 15 minute consultation, either by phone or conference call, we can quickly help you identify whether Salary Sacrifice is something worth taking a closer look at for your business.

In Partnership with Grosvenor Group the Funder and Fleet Evolution we will provide a Master Vehicle Hire Agreement when you decide to proceed to confirm your terms and conditions.

Why not get in touch and book in some time with one of our experts, with no obligation whatsoever.

For more information, contact

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WHAT IS SALARY SACRIFICE?

A Salary Sacrifice scheme enables an employee to exchange a portion of their salary for a non-cash benefit - in this case a fully funded, maintained and insured company vehicle.

In exchange for a portion of their salary, the employee's Income Tax and National Insurance contributions reduce when they then choose a ULEV or EV that enjoys very low Benefit in Kind tax (BIK).

Risk protection and minimal administration

Thanks to the market-leading expertise and support of the Salary Sacrifice team, our scheme is very straightforward to implement and comes with industry leading risk protection; for instance if an employee leaves the company or goes on extended sick or maternity/paternity leave.

Companies can implement the scheme with complete peace of mind, and without being overwhelmed with lots of administration.

Full management support

We provide the employer with full support including payroll reports, P11d reports, contract variations and full in-life management of the vehicle. We also provide a free workplace charger for every 5 vehicles delivered.

The employer only has to authorise orders with minimum wage checks, process payroll deductions and submit P11d reports. To reduce administration further, any in-life recharges such as parking fines, are charged direct to the employee, rather than the employer.

How it is structured

In simple terms it provides a contract hire vehicle to the company and this includes:

- Servicing & Maintenance
- Risk Protection
- Motor Insurance
- Fleet Management
- Accident Management
- Licence Checks

We calculate the amount of salary that needs to be "sacrificed" in order to fund the vehicle by taking into account all of the above costs as well as any class 1a National Insurance and employer retained savings.

The employer then leases the vehicle which reduces the employee's salary accordingly.

BENEFITS TO EMPLOYEES

Salary Sacrifice for an Ultra-Low Emission Vehicle (ULEV) or Electric Vehicle (EV) brings an extensive range of benefits to employees.

- It is the cheapest way to source a brand new ULEV or EV for 2-4 years.
- Fixed cost motoring - road tax, insurance, breakdown cover, service and maintenance are included in the price.
- No deposits required.
- No credit checks.
- Major discounts available - benefit from the buying power and discounts normally associated with corporate fleets.
- Choose from all major makes and models of ULEVs and EVs in the UK.
- Free delivery to your home or place of work.
- Protection against resignation, redundancy, maternity, paternity and long-term sickness.

PODPOINT HOME CHARGERS

Home charge points can also be included within the Salary Sacrifice scheme for employees.

The charging points will be provided by Pod Point, one of UK's leading providers of electric vehicle charging, and by sacrificing part of your salary, the very latest Pod Point charger will be installed at your home.



BENEFITS TO EMPLOYERS

A Salary Sacrifice scheme offers widespread benefits to employers.

- Full guidance, support and consultation during the implementation of the scheme.
- An enhancement to the overall remuneration package at no extra cost.
- Encourages uptake of ULEVs and EVs to reduce carbon footprint.
- A better option for employees leaving the company car scheme than sourcing their own vehicle for business use (which may have higher emissions and be unsuitable).
- Risk free - with protection against resignation, redundancy, maternity, paternity and long-term sickness.
- Minimal administration -the employer only has to authorise orders with minimum wage checks, process payroll deductions and submit P11d reports.To reduce administration further, any in-life recharges are charged direct to the employee rather than the employer.



SET UP, IMPLEMENTATION AND ONGOING OPERATION OF A SALARY SACRIFICE SCHEME



We will provide guidance through the design, implementation and Launch of the scheme, with full HMRC approved paperwork, employee communications and online/physical Launch events.

Once in place, an informative online ordering portal to help employees choose their new Salary Sacrifice vehicle.

We have support teams on hand to answer questions, provide impartial and honest advice, and guide employees through the process.

Our dedicated Salary Sacrifice team will work with the employer to provide full account management and ongoing advice. This will ensure the scheme runs smoothly and delivers financial, operational and green benefits.

ABOUT VEHICLE CONSULTANCY

With over 50 years experience in car leasing and van leasing in the UK, Vehicle Consultancy can provide you with tailored leasing options which put your needs first.

Vehicle Consultancy plays a pivotal role in guiding individuals and businesses through the intricate landscape of automotive and financial decisions.

By leveraging our expertise and bulk purchasing direct from manufacturers clients can make informed choices that align with their goals, ensuring cost-effectiveness, and environmental responsibility in their vehicle-related requirements.

We are here to help and provide expert advice on various aspects, ranging from selecting the most suitable vehicles for specific needs to navigating the complexities of fleet management and finance, extending to considerations such as fuel efficiency, maintenance costs, and the integration of sustainable and technologically advanced solutions.

In Partnership with Grosvenor Group the Funder and Fleet Evolution.

We are delighted to add to our extensive portfolio Salary Sacrifice.



For more information and an initial consultation please speak our Senior Vehicle Consultant, Uel Butler.

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TRUSTED, EXPERT ADVICE FOR VEHICLE SOURCING & FUNDING