

Salary Sacrifice Car Lease Scheme

Employee and Manager Guide

Overview

The Council is introducing a car lease scheme which will allow employees to lease a new fully insured car potentially at a lower cost than they could achieve in the open market.

Key Principles

- Enrolled employees will have to pay a benefit in kind tax dependant on the CO₂ value of the vehicle but this will be outweighed by the savings made on the salary sacrifice element.
- Employees who enrol on the car lease scheme will enter into a personal contract with the procured supplier, agreeing to pay the lease repayment via salary deductions.
- Employees must agree to cover costs of fines or damage to the car caused by them in accordance with the contract terms.

Who is Eligible?

- All staff on permanent contracts or those on fixed term contracts where the contract end date is beyond the lease end date.

What are the Benefits of the Scheme?

- Brand new fully maintained and insured car
- All servicing, MOT and maintenance
- Fully comprehensive motor insurance for the main driver and domestic partner
- Replacement Tyres
- Annual Road Fund Licence
- Comprehensive Breakdown and Recovery Assistance
- Public Sector discount
- Provision for certain lifestyle events (Resignation, Redundancy, Maternity, Paternity & Adoption and Total Loss)
- Tax and National Insurance Savings
- Saving for Council as employers' NI contributions on amount sacrificed would not have to be paid.
- Environmentally friendly low CO₂ vehicles.
- For further information, please click on the link: [Car Leasing Scheme](#)

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Frequently Asked Questions

Question	Response
1. Will my pension be affected by Salary Sacrifice Schemes?	Your pension will be affected by the car lease scheme. Further details regarding the car lease scheme is available here .
2. Can all employees take part in the car lease scheme?	<p>If your base salary is close to the National Minimum Wage (NMW) or the Lower Earnings Limit (LEL) and we believe that the salary sacrifice arrangements will reduce your salary below either the NMW or the LEL, you will not be able to participate in the Scheme.</p> <p>In addition if you are on a short fixed term contract, temporary contract of less than one year, an apprentice, or you are an employee in a school you will not be able to take part in the scheme.</p> <p>We have been asked to look at access for those staff on long-term repeat running temporary contracts.</p>
3. How does the arrangement work?	The arrangement is facilitated through the Council's procurement contracts process. Please see Car Leasing Scheme .
4. What are the advantages of car lease schemes?	Please see Car Leasing Scheme .
5. What happens if I leave the Council part way through the term of the lease?	<p>Options</p> <ul style="list-style-type: none"> • Move to the new employer and your new employer enables you to continue the tax benefits of salary exchange; • Pay the lease as an individual directly to the company or • Terminate the lease subject to any applicable early termination costs.
6. Are there likely to be any future charges?	<p>Some future charges may be levied eg:</p> <ul style="list-style-type: none"> • Insurance Excess • Fines, tolls and congestion charges • Vehicle addition beyond the level agreed in your lease contract and improvement during the contract • Excess Mileage • Refurbishment/Vehicle Damages (if car is not looked after or damaged as a result of driver behaviour).

Question	Response
7. What happens if I lose my licence?	This will depend on the terms and conditions agreed as part of the lease agreement. You are advised to speak to your manager in the first instance.