

# **Car Leasing Scheme**

## **1. Introduction**

The County council's car lease scheme offers eligible employees the opportunity to acquire a new energy-efficient car through salary sacrifice. The lease will be provided by an organisation called Tusker. The car arrangement is between NCC and Tusker, although it is the employee who takes delivery of the vehicle and uses it for the duration of the lease. This is classed as a company provided vehicle due to the beneficial rates paid by the employee and the risk being allocated to the employer.

## **2. Eligibility**

2.1 Employees authorised to access the scheme must be employed by Nottinghamshire County Council under the following terms and conditions.

- NJC Terms and conditions (including those working in schools)
- Soulbury Terms and Conditions
- NHS Terms and Conditions
- JNC Youth Terms and Conditions
- Elected Members
- Teachers working under the Teachers (STPCD) Terms and Conditions

2.2 To be eligible to make an application employees must fulfil the below criteria:

- Permanent employees, or with a fixed term contract lasting for the duration of the lease
- Employees earning a salary with sacrificial earnings high enough for the lease

- Employees that have completed their probationary period

Employees can only have one lease vehicle at any one time and can lease a car for use by someone else, for example if they do not drive.

### **3. Vehicles available**

- Employees will be able to lease low emission cars which can be either electric, plug in hybrid, electric and diesel hybrid cars with emissions up to 75g/km

The terms available for the duration of the lease range from 24-48 months per lease and cars have a different cost based upon the list price and duration of the lease.

### **4. The Scheme**

The scheme includes the following:

- The use of a brand-new car
- Maintenance including all servicing, batteries, exhausts and tyres (excluding winter tyres) under normal wear and tear conditions
- MOTs
- Fully comprehensive motor insurance including all business travel for your employee and the option to include additional drivers
- Protection against penalty charges incurred as a result of exiting the scheme early due to resignation, redundancy, loss of life and loss of licence on medical grounds
- Annual vehicle tax
- Roadside assistance (homestart & recovery UK & European cover)

## 5. Benefit in Kind (BiK)

Under a salary sacrifice arrangement, BiK tax is payable on a company car if it is available for private use by an employee. For cars with CO2 emissions of 75g/km or less, the taxable value of the car depends on the published CO2 emissions and the P11D value (list price) of the car.

BiK tax is deducted from your salary by a change in your tax code.

## 6. Interaction with other Salary Sacrifice schemes

Lease car schemes can operate with other salary sacrifice schemes however they must be used in any sacrificial pay calculation. For example, an employee with an existing Cycle to Work scheme deduction of £50 per month would need £600 per year removed from the gross sacrifice amount.

## 7. Mileage rates

| Engine size (cc) | Fuel   |        |          |
|------------------|--------|--------|----------|
|                  | Diesel | Petrol | Electric |
| >1400            | 11p    | 13p    |          |
| 1400-1600        | 11p    | 15p    | 5p       |
| 1600-2000        | 13p    | 15p    |          |
| >2000            | 16p    | 22p    |          |

The users of company provided lease cars will only be reimbursed for work travel miles at the HMRC approved rate (pence per mile)

Any reimbursement at a higher rate than this will be subject to PAYE tax.

Employees will continue to receive reimbursement for travel miles for work purposes at NCC's approved rate as per below.

|   |     |
|---|-----|
| All car users claiming mileage, per mile first 10,000 | 45p |
| All car users claiming mileage, per mile after 10,000 | 25p |
| Electric cars   | 5p  |

As the vehicle is classes as a company car, you will only receive the tax free element of the travel claim up to the HMRC AMAP (Approved Mileage) rates, any amount above this will be taxed in your monthly payroll.

## 8. Pensions

Any employee considering taking out a lease car will need to be aware that the sacrificing of salary for the use of vehicles reduces pensionable pay and this will have an impact on both Career Average Revalued Earnings scheme (CARE) and Final Salary accruals. Employees can opt to purchase additional benefits within their relevant scheme. Should any employee wish to enter into an additional contribution scheme they will need to contact their relevant Pension scheme who will be able to advise further on this.

## 9. Application Process

Eligible employees will be allowed to make an application on the Tusker website.

The application will then be sent to Payroll Services who will validate whether the employee;

- has sufficient sacrificial pay?
- has a contract that lasts as long as the term?
- has been employed for at least 3 months?

Payroll will then approve or reject the application via an online Tusker portal. If approved Tusker will then process the order and will confirm with the employee

directly when the vehicle is being delivered. Payroll will then set up the car lease scheme on the employees pay record based upon the details on the application form. Schemes will generally run a month in arrears.

#### **10. Employees on reduced occupational pay**

If the reduction to your pay takes you below the statutory minimum level of pay applicable during periods of maternity, paternity, adoption paid leave, or where you have no pay, the reduction to your salary will cease. In these circumstances you will continue to have use of the vehicle. The Council will be required to provide Tusker with a copy of your MAT B1.

If you are on long term sick and reductions during absence cannot be made due to a drop in earnings levels, you may be asked to return the car. In this instance you may be responsible for the early termination charge.

#### **11. Parking and Speeding fines**

Any parking, congestion charges or fines incurred by you whilst using the vehicle will be your responsibility. In the event that an issuing authority contacts Tusker, they will pay the fine and invoice the charges to the council who will re-charge these costs to you along with an administration fee. Any fees or charges will be deducted from your next available salary payment.

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