



**Lease
Electric**

The UK's first Climate Positive Leasing Service

Employer's Guide to EV Salary Sacrifice

Lease Electric's Salary Sacrifice Scheme benefits both your employees and your business, simplifying the transition to electric vehicles like never before.

This document has been designed to support your business to launch your new Employee Benefit.



Our Phone Number
01452 229591



More Information
www.lease-electric.com



Our Email Address
enquiries@lease-electric.com



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About Salary Sacrifice

Salary Sacrifice for Electric Vehicles (EVs) is similar to the cycle-to-work scheme but tailored for electric vehicles, enabling your employees to save up to 40% on the cost of an EV.

With a fixed monthly cost, automatically deducted from their gross salary, our all inclusive packages not only enables them to drive a brand new insured lease vehicle, we include servicing maintenance, tyres, road tax, MOT and breakdown cover.

Opting for salary sacrifice will lower their Income Tax and National Insurance contributions.

What is included

At Lease Electric our EV Salary Sacrifice Scheme provides your Employees with the most economical way to drive an electric vehicle. **The net salary sacrifice amount includes:**

- 🔌 A brand new, lease vehicle for two, three or four years
- 🔌 All routine servicing and maintenance costs in line with manufacturer guidance
- 🔌 Breakdown assistance that includes a replacement vehicle for the first 48 hours
- 🔌 Comprehensive insurance for you, and up to two named drivers (eligibility applies)
- 🔌 Cover for business or personal use
- 🔌 Own damage protection covering the cost of repairs in the event of accident, fire or theft
- 🔌 Road tax for your vehicle for the term of your contract (at the prevailing rate).
- 🔌 The cost of tyre replacements and repair
- 🔌 Third party liability

The maintenance scheme does not cover driver abuse, damage or replacement as a result of neglect. Replacements or repairs in the event of abuse, neglect, theft or vandalism will be recharged. These charges will be billed via a vehicle services invoice.

Since payments are deducted from their gross salary, there is **no need for credit checks or a deposit.**

How will your Business benefit?

Recruitment and Retention

Salary sacrifice enhances benefits packages by offering employees access to a brand new i lease vehicle, with comprehensive insurance that is fully maintained, at a fixed cost for a set period, helping you to attract and retain top talent.

National Insurance Savings

The reduction in your employee's salary decreases the National Insurance Contribution (NIC) made by your business.

Corporation Tax Savings

Electric vehicles (below 50 g/km of CO₂) qualify for 100% of the rental to be offset against corporation tax.

Reduced carbon footprint

Encourages low-emission motoring due to financial and tax benefits of electric vehicles.

Lower grey fleet risk

Meet legal obligations to ensure that an employee's vehicle is reasonably safe to use, fit for purpose and lawfully on the road.

Employer Savings Examples

Your business can save several thousand pounds on every employee vehicle leased through a salary sacrifice scheme.

BYD Dolphin 150kW Design 60.4kWh 5dr Auto

20% Tax Payer

Monthly Net National Insurance Contributions = - £72.38

Net National Insurance Contributions over 4 years = - £3,474.24



Polestar 4 200kW 100kWh Long Range Single Motor Plus

40% Tax Payer

Monthly Net National Insurance Contributions = - £120.70

Net National Insurance Contributions over 4 years = - £5,793.60

Figures based on 4 year contract, 10,000 miles per annum. Including comprehensive insurance maintenance, servicing and tyres. Company car tax based on delivery from April 2024 Saving calculation based on Class 1 National Insurance reduction from lower employee salary and increase in Class 1A National Insurance due to taxable benefit.

Organisation Requirements eligibility

-  This scheme is open to most limited companies and limited liability partnerships (LLP) with more than four partners
-  Must have been trading for at least two years with at least two sets of accounts filed with Companies House.

Restrictions apply to organisations in specific sectors, including but not limited to:

-  Professional Sport Clubs, Other Lenders / Loan Companies, Relevant Financial Institution (RFI), Private Hire / Taxi / Chauffeur Services, Driving Schools / Instructors, Adult Industries, Illicit Industries, Gambling, Night Clubs, Any businesses with links to animal testing, Arms Related Manufacturers or Transport, Embassies, Any Business with links to Countries known for Money Laundering / War / Crime (examples are Russia, Iraq, Syria, Nigeria, Cuba)

Early Termination Protection

Our inclusive scheme aims to protect businesses and employees from unforeseen circumstances. Should an employee leave the business mid contract for any number of reasons, our funder offers solutions to minimise the financial risk to the employer.

Lifestyle Provisions *

 Career Break	
 Dismissal	 Loss of Licence due to medical reasons or death
 Resignation	 Long term sickness (unable to work)
 Retirement	
 Redundancy	
 Reduction in Contracted hours	 Parental Leave
 International Secondment / Transfer	
 Loss of Licence (other than to ill health)	

*If the employee voluntarily leaves employment or is dismissed before the end of the vehicle contract term they will be required to return the vehicle and pay the termination fees. The termination fee and any other amounts will be deducted from the employee's final salary by the employer.

If the hire of the Vehicle is terminated during the first 3 months of the term, the Employee will pay an Early Termination Payment (equal to 50% of the remaining rentals), thereafter, the Employee shall pay the lower of the amount that is equal to 3 monthly rentals or the Early Termination Payment.

The minimum contract term is as stated on the Vehicle Order Form. If the Employee leaves employment before the end of this term for the following reasons (lifestyle provisions), the Employee will be required to return the Vehicle to the Funder and pay the associated termination fees.

For absence due to any one of the following (None to Pay), the hire of the Vehicle will be terminated, and the Employee shall return the Vehicle, and there shall be no costs associated with the early termination of the Vehicle.

For absence due to parental leave, the Employee can either terminate the hire of the Vehicle prior to the expiry of the term or continue to hire the Vehicle provided that the payments do not take them below the National Minimum Wage or National Living Wage. If the hire of the Vehicle is terminated during the first 6 months of the term, the Employee will pay an Early Termination Payment (equal to 50% of the remaining rentals).

If the hire of the Vehicle is terminated after the first 6 months of the term, the Employee shall pay the lower of the amount that is equal to 3 monthly rentals or the Early Termination Payment. If the Employee continues to hire the Vehicle, the salary sacrifice deductions will continue until such time as would reduce the Employee's pay below the National Minimum or National Living Wage, after which the salary sacrifice will be suspended for a maximum of 12 months, or until the end of the term.

Employee eligibility

To be eligible for the EV Salary Sacrifice Scheme, you must be a permanent employee who has successfully completed their probation period.

Participation is not permitted if the salary sacrifice would reduce their gross pay below the National Living Wage or if the deduction is considered unaffordable.

Commitment and Contract Duration

This benefit is intended for employees planning to remain with the company for the duration of the vehicle lease. Early voluntary termination of the agreement will result in termination charges, which may be significant. We encourage employers and employees to consider future employment plans before introducing this to staff teams or enrolling.

Directors

Directors can take part provided they pay themselves enough PAYE earnings to stay above the National Minimum wage after the deductions. They cannot fund Salary Sacrifice from dividends.

Insurance Requirements

All participants must meet the insurance eligibility criteria. Insurance is a critical component of the scheme, and failure to meet these criteria may affect your ability to participate.

For young drivers aged 18-24, cover is only available on cars up to insurance group 21. For drivers aged 25 and 26, cover is only available on cars up to insurance group 29.

If you have any queries about your insurance policy, please contact Lloyd Latchford: 01844 276498

Amendements to Employment Terms

Participation in the Salary Sacrifice Scheme requires certain amendments to your Employee's Terms and Conditions of Employment in accordance with Section 4 of the Employment Rights Act 1996.

These changes will take effect once they sign the vehicle order form and Employee Agreement, both of which form part of the Salary Sacrifice Terms and Conditions.

We will provide you with a copy of the Employee Agreement for you to refer to.

Further Information

For more information, including commonly asked questions, please visit the Lease Electric Salary Sacrifice Scheme FAQs at:



www.lease-electric.com/salary-sacrifice/faqs

Insurance conditions

At the time of placing your vehicle order, you must provide the details of yourself and up to two additional named drivers to be included on the insurance policy for the duration of the contract. Lease Electric will request the DVLA Check Code for all drivers.

To be eligible, all drivers must meet the following criteria:

-  Be at least 18 years of age
-  Be no more than 75 years of age (a maximum age of 78 at the end of the contract)
-  Be a permanent UK Resident
-  Hold a full licence from the UK, EU, EEA or one of the following countries; Andorra, Australia, Barbados, British Virgin Islands, Canada, Falkland Islands, Faroe Islands, Hong Kong, Japan, Monaco, New Zealand, Republic of Korea, Singapore, South Africa, Switzerland, USA or Zimbabwe
-  Have not been advised to stop driving by the Driver and Vehicle Licensing Agency (DVLA) or a medical practitioner due to medical conditions
-  No more than 2 category 'A' convictions disclosed and no more than 1 FAULT claim per driver disclosed in the last 3 years.
-  Claims or category 'A' convictions over 3 years old from the car delivery date are acceptable. Convictions that are shown below in red, which are over 5 years of age from date of delivery, are also acceptable
-  No drivers have a non-motoring conviction that is not spent under the Rehabilitation of Offenders Act
-  No drivers are employed by the emergency services unless explicitly agreed.
-  No drivers are celebrities or otherwise in the public eye including professional sportspersons, actors and musicians

Category 'A' Convictions show on online licence checks beginning with the following codes:

CU or LC or MW or PC or SP or TS.

Please note, if you have any of the following then you DO NOT meet the eligibility criteria for this EV Salary Sacrifice Scheme:

-  Any conviction which has resulted in a ban in the last 5 years (including any of the conviction codes above).
-  A conviction in the last 5 years with any of the following letters on your licence:
AC - BA - CD - DD - DG - DR - IN - MS - TT - UT

Should any of your circumstances change, or you no longer meet the above eligibility criteria during the term of your lease, please notify Lloyd Latchford as soon as possible.

Insurance Information

The cost is based on annual mileage, drivers date of birth, vehicle insurance group and the vehicle's overnight postcode, which should be the employee's home residence. **This cost will be included in the net salary sacrifice amount.**

Eligibility criteria applies.

What is covered*

-  Premium is a true fixed price for the lifetime of your agreement
-  Social, domestic, pleasure and commuting cover, including use by the Policyholder in connection with their Employer's business is covered as standard. Other forms of business use for the policyholder and/or spouse/civil partner may be considered on a case by case basis but do not order a car without checking first. Any other drivers listed on the insurance (not partner/spouse) will only be covered for social, domestic and pleasure use
-  Unlimited cover for audio and navigation equipment that is permanently fixed to your vehicle and has no independent power source
-  Personal belongings in your car up to £350
-  Replacement locks
-  Damage to your vehicle following incorrect fuelling (No cover for removal of incorrect fuel and refuelling of the car)
-  Emergency medical treatment
-  Medical expenses, up to £350 per person
-  Accident transport/vehicle recovery
-  Child car seat cover, up to £100 per seat
-  Free extended use of your car in the EU, up to a period of 60 days
-  Courtesy car for the duration of repairs if in the event of an accident the car is repaired by an Aviva approved repairer.
-  If the vehicle is stolen and not recovered or if it is declared a total loss, a courtesy car is provided for up to 14 days or until a settlement offer is agreed (whichever is earlier).

Policy Excess

-  Accidental Damage excess £250.
-  Fire, Theft and Malicious damage excess £250.
-  Replacement windscreen excess £75.00. No excess if the windscreen is repaired.
-  An additional excess of £300 applies to drivers aged 17 to 20 for accidental damage.
-  An additional excess of £200 applies to drivers aged 21 to 24 for accidental damage.

*Please refer to the full policy wording for complete details of this comprehensive insurance policy. A copy is available within the Salary Sacrifice Portal, from your HR department or directly from Lease Electric.

Salary Sacrifice Step-by-Step

Once the Employer has signed up to Lease Electric's Salary Sacrifice Scheme, and passed the initial credit checks, they will be given a **unique Company ID number** to share with their employees.

Using your unique Company ID number your Employees **register** and **login** to the Lease Electric Salary Sacrifice Portal. Before they can place an order, they must sign to confirm that they have read, understood and agreed to the **Employee Agreement**

Quote

Employees gain access to the Lease Electric Employee Portal. The Employee then configures their EV and their term and request a quote, the Lease Electric team will then send a formal, quotation tailor made to their specific requirements.

Once the Employee accepts the quote, they can proceed to ordering their EV,

Order

The Employee and Employer must mutually agree on the vehicle and verify the order. Once the order has been approved, we will give the Employee an estimated delivery period. Lease Electric will confirm all delivery details and a timeline directly with the Employee.

Delivery

Once the vehicle arrives with the dealer and we are able to confirm that all the necessary paperwork is in place, we will arrange delivery to your Employee.

Payment

Employers pay a monthly payment directly to the lessor. Your payroll team can access a monthly summary **online**, showing them which employees have EVs, what to deduct from gross salaries and P11d values of each vehicle.

This will then be deducted this from the Employees gross salary for the duration of the contract (2, 3 or 4 years). This deduction will appear on their payslips.

During their contract

Through out the duration of their contract, when your employee needs to book in routine maintenance, servicing, organise new tyres, the repair or replacement of a windscreen report an incident or in the event of a breakdown - they simply call **0344 879600**.

In the event that they need to report a claim, please contact Lloyd Latchford's Claim Management Company: **0343 515 8804**

Collection

Lease Electric will contact the employee in advance of the contract termination to see what their plans are regarding a new vehicle and we will advise you of the funder's collection process.

Launching your EV Salary Sacrifice Scheme

Once your Company has signed up and completed the necessary credit checks, the Lease Electric Team are on hand to assist your business in launching the new Employee Benefit—the EV Salary Sacrifice Scheme. You will be assigned an Account Manager, who will work with you to organise a date to meet your employees, deliver a presentation and introduce the scheme.

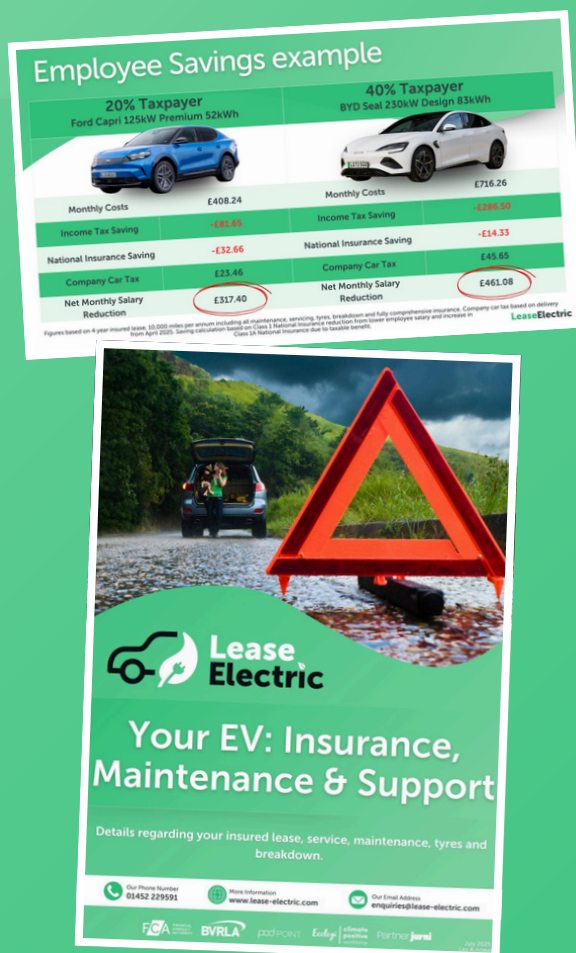
To further support you, our team has compiled a variety of documents, templates, and guides. These resources have been created with your employees in mind, providing detailed explanations of the Salary Sacrifice Scheme, addressing frequently asked questions, sharing insights about transitioning to electric, and much more.

You can find these documents online through the link provided below:



www.lease-electric.com/salary-sacrifice/documents

Examples



Email Template- Introducing EV Salary Sacrifice

Our email template makes it easy for your HR team to share the news and introduce the new scheme to your Employees.

Presentations & PDFs

The Employee Presentation introduces the scheme to your Employees, and our 'Going Electric' presentation supports them when considering their very first electric car.

Infographics

Our list of infographics enables your HR team to advertise your new employee benefit with your team, and provide useful information such as the Driver Service number and online portal.

Website links

We have a list of links you can quickly share with your Employees that support them to access our Blog, EV Guides, Salary Sacrifice FAQs, Company Car Tax, find out more about our Climate Positive Leasing Service and much more

Frequently Asked Questions, Guides and other Useful Links

We understand that when you're considering an Electric Vehicle, you'll have lots of questions. We have addressed a range of common queries, from the scheme and how it works to questions about going electric.

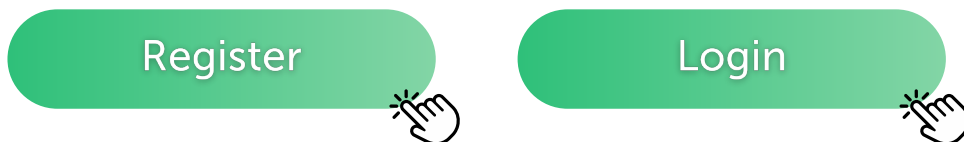
For more information about Lease Electric's Salary Sacrifice Scheme, Electric Vehicles or Leasing, please visit the below links:



Lease Electric EV Salary Sacrifice Scheme

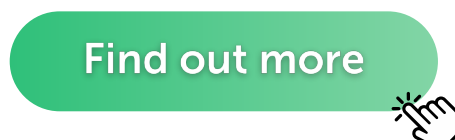
To begin, simply register and login to our Employee Portal.

Your company must have signed up with us prior to creating an account. You will need your company's unique ID number.



Lease Electric - Climate Positive Leasing

Every time we lease a car or van we invest in **Verified Carbon Standard (VCS)** and **Gold Standard** carbon reduction projects to compensate for the carbon created by the vehicle manufacturer, during production. We also plant 100 trees in the **Lease Electric Forest** for each EV leased, equating to roughly 30 tonnes of CO2 being removed from the earth's atmosphere per tree.



Contact Lease Electric

enquiries@lease-electric.com | 01452 229591 | www.lease-electric.com