

SCHEME CHOICE OPTIONS



Which is the right scheme choice for me?

The trust offers 2 schemes for you to lease a car, these are referred to as net deduction and salary sacrifice. Whilst both schemes offer vehicles leased over a 3 year term and include maintenance and fully comprehensive insurance the scheme rules and ways in which the scheme is administered differ as detailed below.

Net deduction key themes

- No restriction on vehicle choice
- No minimum basic salary requirement
- Costs are taken from your net monthly pay
- You are able to take advantage of discounts available to the public sector however there are no additional tax and/or national insurance savings and it has no impact upon your pension.
- You may be liable for benefit in kind taxation* dependent on the costs of the vehicle you choose, fuel type, electric range (if applicable), co2 emissions and the amount you contribute towards it. The cost of this taxation will be taken by a change to your tax code.

Salary sacrifice key themes

- Your vehicle choice is restricted to those with a co2 emission of 75g/km or less. Typically these are either full electric vehicles or plug in hybrid vehicles.
- You will need to have a basic salary of £24,907p.a. (or if part-time the pro-rata equivalent of spine point 16 for agenda for change)
- Costs are taken from your gross salary and as such will impact the final or career average salary used to calculate any potential future pension in addition to any statutory benefits (e.g. maternity, paternity, adoption leave or redundancy.)
- You are able to take advantage of discounts available to the public sector in addition to saving income tax and national insurance contributions you would ordinarily have paid on the amount you are sacrificing for the benefit of the vehicle. The more tax you pay on your salary the greater the saving, making it particularly cost effective for 40% tax payers.
- You may be liable for benefit in kind taxation* dependent on the costs of the vehicle you choose, fuel type, electric range and co2 emissions, however this amount will be offset in part or in full by the income tax and national insurance savings mentioned above.

If you would like to discuss your scheme choice in more detail or gain access to the fleet portal to make an application please do not hesitate to contact Fleetcare on 0114 2729 222 or via email at info@fleetcare.org

*Benefit in kind is a calculation which gives an assumed value to you receiving the benefit from your employer of your chosen lease car based on set government rates. This value is treated as if it were income and attracts income tax at the rate relevant to your overall taxable income.