

# NHSBT Salary Deduction Lease Car Scheme

## Employee Policy Fleet Management

### 1. Scheme

NHSBT operates two lease car schemes, which are voluntary and offered to eligible employees. They offer excellent benefits and value for money and are enhanced to make them more attractive to employees who travel on NHSBT business. Eligibility for a lease car will be at our discretion.

The options for a lease car depend on whether you are required to drive a minimum of 3,500 business miles or not, full information on the impact and options are available via People First and Knowles Associates directly. In summary:

- Colleagues incurring a minimum of 3,500 business miles have the option of the Salary Deduction or Salary Sacrifice Scheme.
- Colleagues who have none or less than 3,500 business miles have the option of the Salary Sacrifice scheme

This Policy is focused on the Salary Deduction scheme, details on the Salary Sacrifice scheme can be found ([insert link to salary sacrifice page on People First](#))

Any NHSBT employee, who is required to drive 3,500 miles or more per year, on business, will be entitled to apply for a lease car. We will contribute to an allowance, based on the annual business mileage and Co2 output of the lease car, towards the total cost of the car.

When discussing your requirements for a Lease Car with your manager, you must both consider how your business travel may change over the duration of the Lease car contract, to ensure that you are not faced with additional costs. For example, with the introduction of new technology, this may reduce the need for some face-to-face meetings, and the expansion of Agile working may lead to more requirement to work flexibly.

#### Lease Car Allowance Calculation

The salary deduction scheme is based on an allowance which promotes greener driving incentives and is set in mileage bands and increases for low emission cars and decreases for higher.

Once you have had your lease vehicle approved, a full breakdown of NHSBT allowance and the employee contribution for personal use, together with tax implications will be provided based on choice of vehicle and mileage predictions. A review of variances to the contracted lease car mileage will be carried out every 6 months by the Lease Car Administrators.

### 2. The Process

#### Lease Car Application Process

To apply for a lease car, you must register on the [lease car administrator's website](#) and follow the instructions. You will be provided with an access and password code.

Once registered, you can request informal quotes and update them. When ready, you can submit your application on-line, which will automatically be sent through to your budget manager for approval.

It is your responsibility to ensure that you are fully aware of the **financial implications** of taking out a salary deduction lease car contract. You should consider not only your personal tax and your contribution for personal use but also any potential changes in business or personal mileage or early termination that would affect end of lease employee charges.

Your Health and Wellbeing is important to us and therefore if your application is for business mileage 15,000 miles or over, your manager must seek your Director's written approval and provide this to the Fleet Services Support manager.

You will receive automatic updates at each stage of the selection, approval and ordering process, including estimated and confirmed delivery dates.

You will be required to enter into a contract with NHSBT and on agreeing the lease car quotation you must sign a hire agreement before the car is ordered. The application must be countersigned by your budget manager and sent to the Fleet Services Support manager for final approval.

### **License Checks and Driving Assessments**

Prior to the start of your lease contract, you will be subject to a driving license check and annually, thereafter.

We take your safety very seriously therefore you are required to complete a Driving Risk Assessment and any subsequent training (online or on road training) at the start of your lease contract as a mandatory business requirement and subsequently every 3 years.

### **Tax Liability**

You will incur a 'benefit in kind' tax liability in respect of the lease car, in accordance with HMRC regulations. This is usually collected via payroll benefit and can be seen on your monthly wage slip. It is calculated based on the:

- list price value of the lease car
- level of CO2 emissions
- your contribution for private use

You will be provided with an estimate of the likely tax impact at the quotation stage. Before committing to signing the contract for a lease car we advise that you seek advice from HMRC as to any potential impact on your personal income tax position.

You should note that your quotation is based on the current financial year only and that your car benefit tax liability will change on an annual basis. For further information see [Vehicle Taxation Bands](#).

### **Motoring Offences**

Should you incur any traffic offences, penalty points, or driving disqualification for any duration, you must notify the Lease Car Administrator.

You are responsible for any liability incurred because of criminal prosecutions travelling on business e.g. driving disqualification. The loss of your driving licence will result in the car being withdrawn and an early termination penalty charged to you.

### **Early Termination Charges**

When terminating the contract, you must provide at least one month's notice to the lease car administrator. You may cooperate in the reallocation of the car to mitigate the costs.

Failure to provide adequate notice could result in delaying payment of your final salary.

You will be liable for early termination fees and any damage, other than fair, wear and tear deterioration, unless arrangements can be made to transfer the lease to a new employee.

Should you leave of your own accord or on the grounds of misconduct and your car cannot be reallocated, you will be required to meet any early termination penalties. Alternatively, you may negotiate for the lease to be transferred to a new employee or take up the option of purchasing the lease car by negotiating a price directly with the Lease Company.

### **End of Contract Charges**

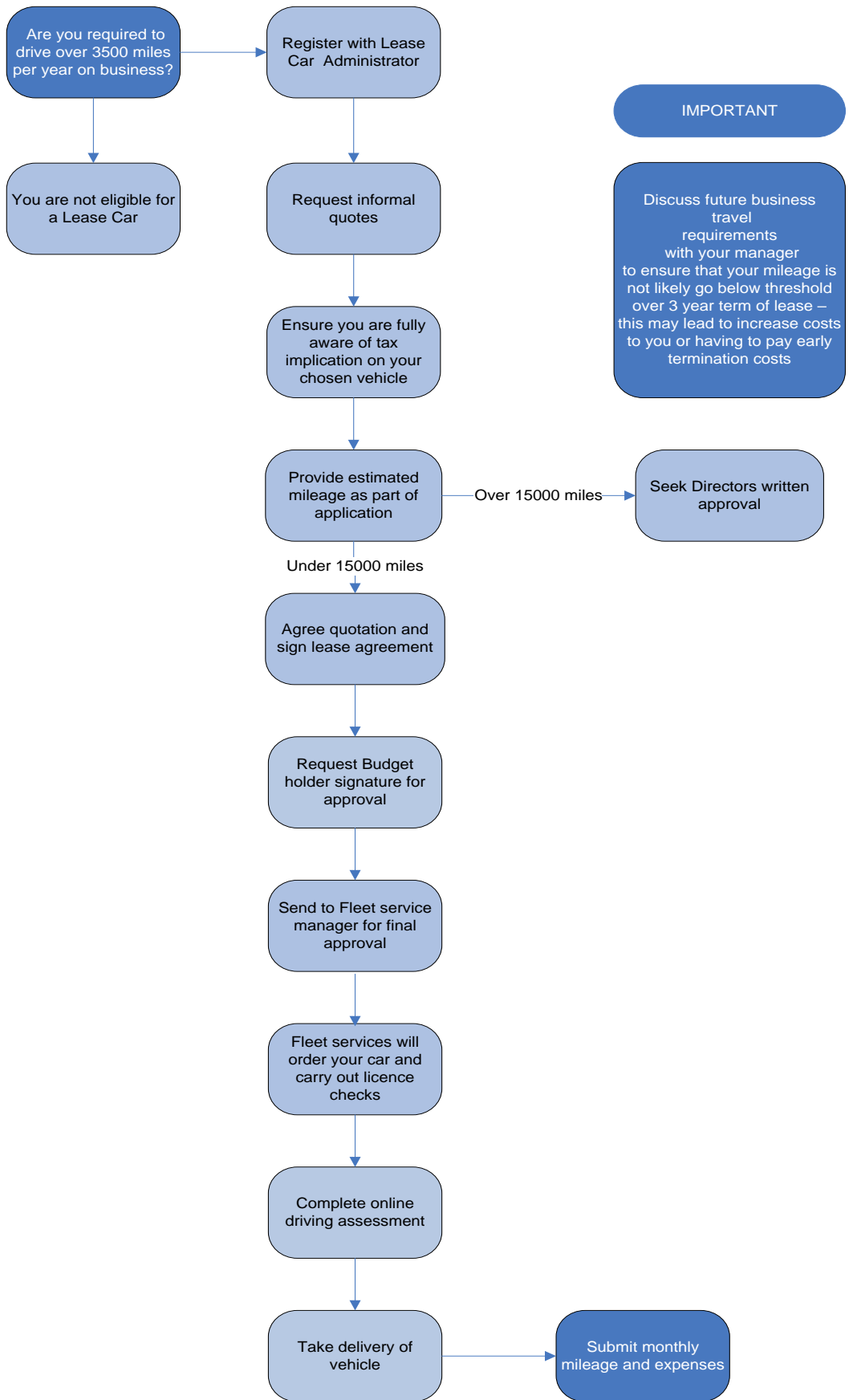
The personal contribution for private use of your lease vehicle is based on your estimated business and personal mileage. On termination of the contract the actual mileage calculation will determine any end of contract charges, or reimbursement.

### **Refusal of a Lease Car**

If your application is refused, you will be notified of the reasons.

If you are not considered eligible for a salary deduction lease car or do not wish to enter an agreement you will be reimbursed for business use of your own car, in accordance with the Travel and Expenses Policy or you can apply for a salary sacrifice lease car, in accordance with the NHSBT salary sacrifice Lease car Scheme.

### 3. Flowchart



## 4. Policy Approval and Review

Policy version	UCD/M&L/Car/001v3.0
Title	Lease Car Scheme
Approved by SPC	18 <sup>th</sup> May 2023
Equality Impact Assessment completed	28 <sup>th</sup> February 2023
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This document replaces	UCD/M&L/Car/001v2.1
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Author	Tom Hammond/Sarah Tordoff
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