



Leasing made easy

# ELECTRIC CAR SALARY SACRIFICE SCHEME

(For non payrolled benefits)





## Contents

|  |    |
|--|----|
| <a href="#">Overview</a> .....   | 4  |
| <a href="#">Eligibility</a> .....                                      | 7  |
| <a href="#">Impact on salary, other company payments and tax</a> ..... | 8  |
| <a href="#">Impact on statutory payments and state benefits</a> .....  | 11 |
| <a href="#">Joining the Scheme</a> .....                               | 13 |
| <a href="#">During the contract period</a> .....                       | 18 |
| <a href="#">End of contract or early termination</a> .....             | 20 |
| <a href="#">Motor insurance</a> .....                                  | 22 |
| <a href="#">Appendix 1 – Sample payslips</a> .....                     | 25 |

## Overview

Salary sacrifice is a tax efficient way for you to drive a brand-new electric car for a great deal less than if you leased it privately. Your employer is therefore delighted to be able to offer a range of zero emission company cars via the CVSL Electric Car Salary Sacrifice Scheme (the “Scheme”). The following Frequently Asked Questions (“FAQs”) outline the benefits of participating in the Scheme and how it works in practice.

### What is salary sacrifice?

Salary sacrifice is an arrangement under which an employee agrees to give up some of their gross salary, that is your salary before income tax, National Insurance Contributions (“NIC”) and the Health and Social Care Levy (“HSCL”) have been deducted, in exchange for their employer’s agreement to provide a non-cash benefit, such as a company car.

### How does the Scheme work?

Should you wish to join the Scheme you would formally agree to sacrifice part of your gross salary. In return your employer will provide you with a zero emission company car, which will be leased by your employer via CVSL Limited CVSL, a specialist contract hire and fleet management business.

### How much can I save?

The advantage of salary sacrifice is that you do not pay income tax, NIC or the HSCL on the amount sacrificed, which is typically calculated as the cost to lease, maintain and insure the car. Although company cars are subject to taxation as a benefit-in-kind, over the next few years the income tax due on a zero emission electric cars, commonly referred to as “Benefit in Kind” or “BiK tax”, will be substantially less than the income tax, NIC and HSCL saved on the salary sacrificed.

You will therefore be able to drive a brand new car for a much lower cost than if you leased it personally from your net income, a lease on which you would also have to pay Value Added Tax (“VAT”) at 20%.

Your precise savings will depend upon your personal tax circumstances and the make and model of the car you choose. Your Account Manager has a suite of sample quotes covering the most popular salary sacrifice vehicles, which they will be pleased to share with you upon request.

### **Why is your employer implementing the Scheme?**

To provide its employees with a cost-effective way of acquiring a new electric car, by making the most of the significant savings available from the tax efficient leasing of a zero emission company car. It enables your employer to address the increasing demand from employees to adopt green initiatives and enhance its overall reward package, which help to recruit and retain the right people.

### **Do other employers have similar schemes?**

Yes. Many employers in both the private and public sector operate similar schemes for their employees.

### **What will I be entitled to if I join the Scheme?**

The Scheme includes the provision of the car, including road fund licence, servicing, maintenance, fully comprehensive motor insurance and roadside assistance. Your employer may, at its discretion, offer protection against early termination charges arising in certain circumstances, in respect of which an additional contribution may be included within your salary sacrifice.

See the section entitled **End of contract and early termination** at page 21 for further information.

### **Will my salary sacrifice change each year?**

As the motor insurance premium included within your salary sacrifice may change each year your salary sacrifice may vary each year, although we anticipate the change will be modest unless you have made a claim.

Any future BiK tax increases will be reflected in changes to your tax code, which will affect your take home pay.

### **Are there any other charges?**

Your salary sacrifice will cover the cost of leasing the car and the ancillary services such as maintenance and insurance, but CVSL may apply additional, out of contract charges, in certain circumstances. For example, if you commit a parking offence you will be liable for any penalty which will be recharged to your employer by CVSL and deducted from your net pay. Other charges can include puncture repairs, loss of keys, consumable items such as adblue and oil used between servicing, and windscreen repairs.

## How many cars am I allowed under the Scheme?

The Scheme allows eligible employees to have up to 2 cars. However, if you already have an allocated company car this will count as part of your entitlement under the Scheme.

## Will I own the car?

No. But at the end of the agreement you may have the option to purchase your car, at the discretion of CVSL.

## Is salary sacrifice right for me?

In order to benefit from the tax, NIC and HSCL advantages, HMRC requires that the salary sacrifice must be a formal change to your terms and conditions of employment rather than an informal arrangement that you can simply amend at your discretion. For this reason, we require employees to take part in the Scheme for the duration of the contract.

Therefore, leasing a new car via a salary sacrifice scheme, although tax efficient, is a long-term financial commitment which should be considered thoroughly before proceeding. You are advised to read and take account of all the issues raised in these FAQs, which has been designed to answer the questions that are most frequently asked about salary sacrifice and the Scheme.

You should use these FAQs as a guide to satisfy yourself that a company car taken via salary sacrifice will meet your lifestyle needs throughout the duration of the contract and that you understand your rights and obligations under the Scheme. If you have any questions or require any further information please speak to the person within your fleet and/or HR department who is responsible for operating your employer's Scheme.

## Rolec EV Charging Partner

CVSL has partnered with leading electric vehicle charging solutions provider, Rolec EV, offering our customers the full EV experience, making the whole process as seamless and simple as possible. Rolec EV support you throughout the entire journey; from ordering your charging point, informing you through all aspects of EV charging, to installing your charging point at your home or workplace, ensuring that you are set for your journeys in your electric vehicle.

Rolec EV are renowned for excellence in designing, manufacturing and supplying electric vehicle charging solutions for both domestic and commercial use. Setting industry standards for over 10 years, Rolec EV have installed over 150,000 charging units nationwide.

The Rolec WallPod:EV HomeSmart enables user to charge their vehicle in the comfort of their own home. OLEV Grant Fundable and also available in 30 different colour combinations, the WallPod:EV HomeSmart is an option for a vast range of EV drivers. The charging unit also boasts of smart capabilities, enabling drivers to manage and monitor their charging activity as well as schedule charging times via their mobile phones.

CVSL is proud to collaborate with Rolec EV, offering our customers the full EV experience.

For more information and your FREE EV charging point audit, contact CVSL Electric Car and Van leasing today and we will get you sorted.

# Eligibility

## Am I eligible to participate in the Scheme?

To be able to participate, in addition to being eligible for the motor insurance, you must:

earn a salary sufficient to enable the sacrifice due under the Scheme to be made without reducing your post sacrifice revised salary below the National Living/Minimum Wage; and  
be aged 21 or over.

Please refer to the section entitled Impact on statutory payments and state benefits at page 11 for questions relating to the National Living/Minimum Wage

Your employer may also stipulate that you:-

are a permanent member of staff or on a fixed term contract, not on a temporary contract and no longer subject to a period of probation; are not the subject of any disciplinary or redundancy proceedings or given notice of your intention to leave employment; and are not on long term sick leave, sabbatical or parental leave.

If your application to take part in the Scheme is accepted by your employer this does not in any way affect your employer's rights to terminate your employment.

## Am I eligible for the Scheme insurance?

You, and any additional drivers, must meet the insurance criteria of your employer's insurer. You should be provided with the eligibility criteria by your employer before ordering the car and should confirm your eligibility when you sign your salary sacrifice agreement.

## Can part-time staff join the Scheme?

Part-time employees are eligible to join the Scheme provided certain requirements are met.

Please refer to the section entitled Impact on statutory payments and state benefits at page 11 for questions relating to the National Living/Minimum Wage and the Lower Earnings Limit.

## I am already participating in a salary sacrifice scheme - does this affect my eligibility status?

To ensure you are eligible to join the Scheme, and that your current salary sacrifice(s) will not be affected by joining the Scheme, please contact the person within your fleet and/or HR department who is responsible for operating your employer's Scheme.

## Will I be given any formal advice regarding my suitability to join the Scheme?

No. The information provided in this guide does not constitute advice. You should seek independent financial advice if you are unsure about your eligibility to join the Scheme or its financial consequences.

## Impact on salary, other company payments and tax

### How will my pay be affected if I participate in the Scheme?

If you decide to take part in the Scheme your total gross pay will be reduced by an agreed amount and in return your employer will provide you with a fully maintained and insured zero emission company car.

The sample payslips at page 26 illustrate how your payslip is likely to change if you participate in the Scheme, and highlight the potential income tax, NIC and the HSCL savings available.

### What will happen to my cash allowance if I join the Scheme?

If you continue to receive a cash allowance during the contract period, the cash allowance will be included in your payslip as usual. The **sample payslips** illustrate how your payslip is likely to change if you continue to receive a cash allowance during the contract period.

Alternatively, your employer may choose to withdraw your cash allowance and reduce the gross salary sacrifice accordingly.

### Why do I need to agree to a reduction in pay to enter the Scheme?

To meet HMRC requirements, your pay must be contractually reduced in order for you to take advantage of the income tax and NIC savings associated with salary sacrifice. As set out in the **sample payslips**, savings are available if you formally sacrifice gross, pre-tax salary as you will no longer pay income tax, NIC or the HSCL on that part of your salary.

### How will participation in the Scheme affect the amount of income tax, NIC and the HSCL I pay?

You will no longer pay income tax, NIC or HSCL on the gross salary you give up. But as the car is a company car, and therefore a taxable benefit, you will pay income tax on the value of the benefit in kind ("BiK").

Please see the worked example below.

### Why do I have to pay BiK tax on the car benefit?

Because you are acquiring a leased car via your employer that is available for your private use it is classed as a company car and therefore a benefit provided by reason of your employment. You have to pay "BiK" tax on a company car as you do on most benefits provided by your employer.



## How do I calculate the BiK tax to be paid on my new car?

If you are close to the threshold between tax rates (e.g. basic rate/higher rate) the tax you pay may have to be split between the two rates, but the example below is a guide to the calculation for the current tax year.

### Example

If you are a basic rate taxpayer and choose a zero emission car with a list price of £25,000 then in 2022/23 your BiK tax would be £100 for that tax year.

This is:      (£25,000                  x                  2%)                  x                  20%

                 List price    BiK percentage    Your tax rate

HMRC provides an easy to use tax calculator [online](#).

Please note that BiK tax is collected via a reduction in your tax-free pay, so you will not see a separate monthly amount in your payslip but a change to your tax code which will increase the amount of income tax deducted from your pay each month.

## What are the BiK percentages for electric cars?

BiK percentages for all zero-emission cars have been frozen at 2% until April 2025.

## Will my tax code change immediately?

After the car has been delivered your employer will inform HMRC that you have been provided with a company car. HMRC will then arrange for your tax code to be changed so that the income tax can be deducted from your monthly pay. This may take several weeks, but it is possible this may be speeded up if you amend your own tax code via HMRC's [online portal](#).

As soon as HMRC confirms your revised tax code to your employer the income tax due on the company car can be collected. As this may take several weeks you should note that the first collection may include more than one month's company car tax.

## What happens if the taxation on company cars increases?

The government has already announced the rates of tax to be applied to company cars until 5 April 2025. However, if any further increases were to be announced for zero emission cars, they are expected to be minimal and greatly outweighed by the significant, overall savings available under the Scheme.

## If I participate in the Scheme will it affect any other payments or benefits made to me by the Company?

As noted in the [sample payslips](#) shown at Appendix 1, we use the term "Reference Salary" to mean your original salary before taking account of any salary sacrifice adjustment and the term "Revised Salary" to refer to your salary after the sacrifice.

Your participation in the Scheme should not affect any other salary-related earnings as all future pay rises, salary related pay and benefits provided by your employer, including bonuses, commissions, overtime and shift premium, should continue to be based on your "Reference Salary".

## Will my Pensionable Salary remain the same?

Your Pensionable Salary should be unaffected and continue to be based on your "Reference Salary".

### **What about Pension and Death in Service benefits?**

These benefits should continue to be based on your Pensionable Salary, which will be the “Reference Salary” and should therefore not be affected.

### **How will I be recompensed if I use my car on business?**

As a car provided under the Scheme is a company car the amount you may be reimbursed tax free when using your car on business will be determined either by the cost of electricity, or HMRC’s Advisory Electricity Rate (“AER”), which is currently 5p per mile.

Please visit [HMRC’s guidance](#) for further details.

Prior to joining the Scheme, if you used your own car on business, your employer was able to reimburse you using the tax-free Approved Mileage Allowance Payments (“AMAPs”), or you could claim Mileage Allowance Relief (“MAR”) if your employer paid you a lower amount; MAR is income tax relief on the difference between the maximum AMAPs and the amount you were reimbursed.

Company car drivers cannot claim MAR if they are reimbursed less than the cost of electricity or the AER, and if your employer continues to reimburse you at a rate that exceeds the AER or the cost of electricity used on your business journeys you will have to pay income tax, NIC and the HSCL on the difference.

### **I have a fuel card - will I be able to continue to use it to charge my car via the public network?**

Many fuel card providers now provide a combined fuel and EV charge card solution which enables cardholders to charge via the public charging network as well as refuelling at petrol stations.

### **What if I need a reference for a mortgage or a loan?**

Many lenders are familiar with the concept of salary sacrifice and run similar schemes for their own employees. When responding to any lender’s request for information regarding salary, your employer should confirm the amount of your “Reference Salary”, that is your salary before the application of the salary sacrifice.

## Impact on statutory payments and state benefits

Salary sacrifice will be financially beneficial for most employees, but please refer to the following questions to determine how participation in the Scheme may impact your overall financial position. If, having considered this information, you need further advice or guidance please contact the person responsible for operating your employer's Scheme.

### What if participation would cause my salary to fall below the National Minimum Wage?

Your pay must not fall below the National Living Wage or the National Minimum Wage. The current rates can be viewed [online](#). As an example, for an employee aged 23 or over working 35 hours per week the National Living Wage would equate to £332.50 per week, £1,441 per month or £17,290 per annum.

If, after taking account of salary sacrificed under all the schemes in which you participate, your gross pay would fall below your threshold, you will not be able to join the Scheme. If you think your pay may fall below the National Living/Minimum Wage by joining the Scheme you should consult the person within your fleet and/or HR department who is responsible for managing your employer's Scheme to determine how else you may be able to make the most of any other tax efficient benefits.

### If I join the Scheme could my entitlement to state benefits be affected?

Your entitlement to state benefits, such as Statutory Maternity Pay ("SMP") and Employment and Support Allowance, may be affected as a result of your participation in the Scheme if your average gross weekly earnings fall below the weekly earnings threshold<sup>1</sup>.

As your employer regularly monitors levels of pay to ensure its legal obligations are met, if your salary is likely to fall below any of the relevant statutory thresholds, and you may be adversely affected by joining the Scheme, your employer should liaise with you to help you consider your personal circumstances and make the best financial decision for you.

### What is the impact on Child Benefit if I participate in the Scheme?

For most employees there will be no impact on Child Benefit. However, a tax charge is applied to those with an annual income above £50,000 who receive Child Benefit, or whose partner receives Child Benefit. As HMRC should consider your Revised Salary, that is your gross salary after your salary sacrifice, participation in the Scheme, may reduce the amount of tax charged on the Child Benefit you or your partner receive because the salary sacrifice should reduce your taxable income.

### Will there be any change in the amount of tax credits I receive if I take part in the Scheme?

Your gross salary and the taxable value of your new company car will be used by HMRC to calculate your entitlement to tax credit. As your gross pay will reduce and the benefit-in-kind tax on your zero emission car should be very low your entitlement to tax credits may increase.

If you currently receive tax credits, and your annual income changes by £2,500 or more by joining the Scheme, it is recommended that you immediately report the reduction of your income to HMRC as this may trigger a change to your Universal Credit.

Further information can be found [online](#).

---

<sup>1</sup> Equivalent to the Lower Earnings Limit of £123 per week for 2022/23.

### **Will there be an impact on my entitlement to Universal Credit if I take part in the Scheme?**

For those in work their entitlement to Universal Credit is affected by their net earnings, that is the salary they're paid after deductions such as income tax, NIC and pension contributions. If you are entitled to Universal Credit and are eligible to join the Scheme the amount of Universal Credit you may claim may be affected by your participation in the Scheme. Because your net earnings will reduce your entitlement to Universal Credit may increase.

Further information may be found [online](#).

### **Will participation in the Scheme have any impact on my child maintenance payments?**

Child maintenance payments are calculated by reference to your taxable gross income, after any pension contributions, and any salary sacrificed are taken in to account. The taxable value of your new company car should not be included in the calculation, but the receiving parent may ask that it is taken in to account as an 'additional income variation'.

If you join the Scheme your income for child maintenance purposes should decrease, and your child maintenance payments may therefore be reduced as a result. For further information about child maintenance payments please visit [Gov.UK](#) or see the Child Maintenance Service [step-by step guide](#).

### **Will my student loan repayments be affected?**

Student loan repayments are calculated by reference to gross earnings subject to Class 1 NIC.

As a result of your participation in the Scheme your gross earnings subject to Class 1 NIC will reduce but the taxable value of your new company car will be excluded when determining your earnings and it is therefore likely that your student loan repayments will reduce as a result of participating in the Scheme.

### **What about the impact on the State Pension?**

Under certain circumstances your State Pension may be slightly adversely affected by taking part in the Scheme.

Your entitlement to the new State Pension<sup>2</sup> is based upon your payment of Class 1 NIC, which are paid as long as your gross pay exceeds the annual Primary Earnings Threshold<sup>3</sup>. Provided your gross pay is above this threshold, participating in the Scheme should have no effect on your entitlement to the State Pension.

---

<sup>2</sup> Introduced from April 2016 for men born after 5 April 1951 and women born after 5 April 1953.

<sup>3</sup> In 2022/23 the annual Primary Earnings Threshold is £12,570. If you earn between the annual Lower Earnings Limit of £6,396 and the Primary Earnings Threshold you are deemed to have paid NIC and will therefore accrue a qualifying year for the State Pension.

## Joining the Scheme

### Which cars can I choose under the Scheme?

Your choice of car is restricted to electric cars only, and may be affected by your salary and the availability of insurance.

### How can I find out which cars are available and how much I could save by joining the Scheme?

You'll be able to choose your ideal electric car from a wide range of models now available from a wide range of manufacturers.

You will be able to request indicative salary sacrifice quotations so that you can compare the features of each car and discover the savings they offer. Your [Account Manager] can provide you with sample quotes for popular models to help in your decision making. You can then request a bespoke quotation from your [Account Manager], for any electric car and for the term and mileage that suits your needs.

### How do I arrange a test drive?

The easiest way for you to arrange a test drive is to do so directly with your nearest main dealer, or via your [Account Manager].

### Can I choose colours and add options?

Yes. Choice of colour and options made available by your chosen manufacturer are permissible.

Choosing additional options is likely to increase the amount of salary you sacrifice each month, but in no circumstance can you select a car, or additional options that would cause the salary you sacrifice to reduce your salary below the National Living/Minimum Wage.

### What will be included with my car?

In addition to your brand new electric car, the Scheme includes servicing, maintenance, fully comprehensive motor insurance and roadside assistance.

### Can I modify the car?

You should not alter or modify the car in any way without seeking prior approval from CVSL. Please contact CVSL on 0800 085 4256.



AIRBAG

BMW CLASS

883  
km/h

### **How do I order my chosen car?**

Once you're ready to order a car you should contact your CVSL Account Manager to discuss your precise requirements, including any options you might wish to add and the mileage you think you'll undertake each year.

### **What happens once I've placed my order?**

You'll be asked to sign your salary sacrifice agreement and forward it to your employer for countersignature.

Authorisation to order the car will be sought from your employer, and once your employer has countersigned your salary sacrifice agreement and approved the order of your car, CVSL will place the order with the dealer and let you know the estimated delivery date.

### **Could my employer block my order?**

If the salary sacrifice you'll have to pay for your chosen car would reduce your pay below the National Living/Minimum Wage, your employer would be obliged not to approve your order.

Likewise, if the car you've selected falls outside the Scheme policy parameters determined by your employer, they may authorise your proposed order and ask you to select a more appropriate car.

### **Can I cancel my order once it's been placed?**

If you wish to withdraw your application to join the Scheme after your car has been ordered you may be liable to a cancellation charge if unavoidable costs or losses are incurred, such as dealer charges. Any cancellation charge will be charged to your employer who will deduct it from your net pay in the following month per the terms and conditions of the Scheme.

### **Can I amend my order once it's been submitted?**

Whilst CVSL cannot guarantee to accommodate your request, where an amendment is possible your employer may incur a charge if unavoidable costs or losses are incurred in the supply chain, including for example dealer charges. Your employer will deduct any such charge from your net pay in the following month per the terms and conditions of the Scheme.

### **What happens if I order a car and leave employment before it is delivered?**

Your order will be cancelled by CVSL which may result in a recharge to your employer if there are unavoidable costs or losses incurred in the vehicle supply chain, including for example dealer charges. Your employer will be entitled to pass any recharges on to you by deduction from your final salary. See the section entitled **End of contract and early termination** for further information.

### **How long must I keep the car?**

Your contract will be for a fixed term of 2, 3 or 4 years. Within X months of the end of your contract CVSL will contact you to discuss your options and your potential choice of a new replacement car.

If you wish to terminate the contract early, an early termination charge may apply. See the section entitled **End of contract and early termination** for further information.

### **Does it matter how many miles I drive?**

Yes. You will be asked to estimate your annual mileage and you should try to make your estimate as accurate as possible so that you do not exceed this mileage during the lease contract.

When you return your car at the end of the contract, if the recorded mileage exceeds the agreed contracted mileage, you will be liable to an excess mileage charge which will be deducted from your net pay by your employer in the following month.

### **How do I find out how much my salary sacrifice will be?**

You will be provided with a final quotation from CVSL which will contain the gross salary sacrifice you will make each month.

### **When will my salary sacrifice start?**

Your first salary sacrifice will be made in the month following delivery of your car.

### **How long will I have to wait for my new car?**

The wait time will depend on the car you order and whether it is in stock or has yet to be made by the manufacturer. Once your order has been placed, CVSL will inform you of the car's estimated date of delivery and will update you in the event of a change to this estimate.

Once the delivery date of your new car has been confirmed CVSL will contact you to arrange its delivery and, where appropriate, collection of your current Scheme car.

### **Will a hire car be provided whilst I wait for my car to be delivered?**

No hire or temporary cars will be provided.

### **How do I find out if I can install a home charge point?**

CVSL has teamed up with PodPoint to offer home charge point installations for Scheme participants. For information related to the installation of a home charge point please contact CVSL on 0800 085 4256.

### **When should I organise the installation of a charge point for my home?**

Once your car has been ordered, you may proceed to organise the installation of a charge point at your home. PodPoint will help you decide which home charge point is most appropriate for you and apply the UK government grant on your behalf if you are eligible.



For more information related to the installation of a home charge point please contact CVSL on 0800 085 4256, who will explain the process to you and contact PodPoint on your behalf prior to delivery of your car, subject to availability.

### **Will I need to pay for the installation of a charge point at home?**

Charging at home is not only the most convenient way to charge your car but will be much cheaper than charging via the public network, and you are therefore advised to install a charge point at your home, which you will have to pay for unless your employer is willing to contribute towards the cost.

From April 2022, the Electric Vehicle Homecharge Scheme (“EVHS”) will no longer be available to those who own single unit properties, such as bungalows, detached, semi detached or terraced houses, meaning only homeowners who live in flats, or individuals who live in rented accommodation will be eligible.

The grant will continue to be 75% of the installation cost of a charge point, up to a maximum of £350. Those living in Scotland remain eligible for a £250 Energy Savings Trust grant towards the cost of their charge point.

For further information related to the grants available and your eligibility please see the guidance on the [Electric Vehicle Homecharge Scheme](#) or [Smart Homecharge](#).

### **Will I get the range I expect from my car?**

As with any car, the range you get during day-to-day driving is likely to differ from the official range stated by the manufacturer, and electric cars are no different. The actual range your car achieves will depend on a number of factors including:-

- temperature, the batteries are less efficient in the winter;
- speed, electric cars are more efficient at lower speeds;
- the route you take, hills will take more power from the battery;
- how you drive:-
- accelerating and braking gently improves efficiency;
- preserving momentum and using regenerative braking improves efficiency; and
- use of the heater or air conditioning.

Please bear in mind that your car will also ‘make’ additional electric miles on many journeys, where you drive economically and at lower speeds, but ultimately it is your responsibility to choose an appropriate vehicle with an appropriate range that suits your daily mileage requirements.

### **How long will it take to charge my car?**

Charging times vary depending on the battery capacity, the charging speed of the car and the speed of the charge point, but however fast the charge point the charging time will be limited to the maximum charging speed of your car. So, if your car has a 7kW charging speed, if the charging unit has a speed of 50kW your car will still only be able to accept charging at 7kW.

### **Do I need to change my electricity tariff?**

No, but we advise that you review your tariff with your energy supplier to ensure you will still be on the best tariff after you start charging your car at home.

Some energy providers offer off peak, or smart, tariffs which make it cheaper if you charge your car overnight.

## During the contract period

### What if I my circumstances change after my car has been delivered?

If you decide to join the Scheme you will be committing to a 2, 3, or 4 year salary sacrifice agreement depending on what contract length you decide to go for.

Therefore, should you opt out early you would not be eligible to re-join the Scheme prior to the termination date of the original agreement and you may be liable to an early termination charge, unless your employer exercises its discretion not to pass on the charge, which it may do under circumstances such as:-

- you leave employment as a result of redundancy, ill-health retirement or death in service; or
- you lose your driving licence on medical grounds.

See the section entitled **End of contract and early termination** at page 21 for further information.

### How do I manage the maintenance of my car?

General maintenance and breakdown services are included within your salary sacrifice, but it is your responsibility to ensure the car is maintained to manufacturer standards until you return it.

To arrange servicing, maintenance or repairs you should contact CVSL on 0800 085 4256 or book online.

### Can I keep my car during parental leave?

Yes. You can retain the car for up to 12 months whilst on parental leave without charge. Your salary sacrifice will be suspended when your total pay falls below the gross salary sacrifice and will be reinstated 12 months after the commencement of your parental leave, or when you return to work, if earlier. The salary sacrifice will then be applied until the end of your contract, or you take a further period of parental leave, if earlier.

If you return to work on reduced pay, for example because you return on a part-time basis, and are unable to meet the salary sacrifice, or you do not return to work, your participation in the Scheme will cease with immediate effect. You will be required to return the car to your employer, unless you agree to purchase the car from CVSL or your employer offers you an alternative arrangement.

See the section entitled **End of contract and early termination** for further information about the charges that may arise if your car is returned early, including the circumstances in which your employer may exercise its discretion not to pass some or all of the charge on to you, and how you may purchase your car.

### What happens if I need to take an extended period of sick leave or unpaid leave?

You may continue to take part in the Scheme as long as your total pay, including any occupational sick pay, remains sufficient to support your salary sacrifice, otherwise your participation in the Scheme will cease immediately. You will be required to return the car to your employer, unless you agree to purchase the car from CVSL or your employer offers you an alternative arrangement.

The section entitled **End of contract and early termination** provides further information about early termination charges and how you may purchase your car.

### What happens if I leave employment?

You will be unable to continue to participate in the Scheme if you leave your employer's employment for any reason. You would therefore have to return the car to your employer, unless you agree to purchase the car from CVSL.

See the section entitled **End of contract and early termination** for further information about the charges that may arise if your car is returned early and your option to purchase your car.

### **What happens if changes in legislation mean that salary sacrifice schemes are no longer effective?**

There is currently no indication from HMRC that it is considering a change to current legislation. However, if this does happen at some point in the future, it would be usual for agreements made before legislation is changed to be grandfathered, meaning existing salary sacrifice arrangements would not be affected by the new legislation.

As the government has also published the rates of tax to be applied to company cars until 5 April 2025 this indicates that the income tax, NIC, the HSCL and VAT advantages available to you with salary sacrifice will continue for some years.

If the law or HMRC practice changes and it is no longer advantageous to operate the Scheme, your employer reserves the right to withdraw the Scheme. In this case no new cars will be delivered after the date of withdrawal of the Scheme, but existing contracts will be honoured providing it is still financially advantageous for you to continue to participate until the end of the lease, when the salary you will be paid will revert to your "Reference Salary", that is your salary before the salary sacrifice.

Please note that Scheme documentation will refer to your salary before the salary sacrifice as 'Reference Salary' but it may appear as 'Notional Salary' or something similar on your payslip.

### **What are my options if I'm disqualified from driving?**

You should contact your employer who will confirm your disqualification to its insurer.

If your insurance cover cannot be maintained for any of your additional drivers your salary sacrifice agreement will be terminated. Please refer to the section entitled **End of contract and early termination** for further information about early termination charges and how you may purchase your car.

### **What happens if I receive a parking fine or a congestion charge notification?**

You will be liable for any **out of contract** charges, such as parking fines, congestion charges, or other motoring costs. As the registered keeper of the car, any such charges incurred by CVSL will be recharged to your employer. Per the terms of the Scheme your employer may then deduct these charges from your net pay the following month.

## End of contract or early termination

### How do I organise a new salary sacrifice car at the end of the contract term?

CVSL will contact you 9 months prior to expiry of your current agreement to outline the process to return your car and renew your participation in the Scheme.

### How do I arrange to return my car?

To arrange the collection of your car submit a request to CVSL 's by calling 0800 085 4256.

Please note collection may take up to 10 working days after your request, so please allow for this.

Please note, if you have ordered a replacement car through CVSL then collection of your existing car should be on the delivery date of your new car and you will not need to request collection of your existing car, unless you plan to return it before the delivery of your new car.

If your new car is not available when your scheme car is due to be returned CVSL will contact you to discuss your options, which may include granting an informal extension of your contract until a new car can be delivered.

### What happens when I return my car?

Following its return to CVSL your car will be inspected. This inspection will note any damage to the car in accordance with CVSL 's Fair Wear and Tear Guide, along with the completed mileage.

#### *Unfair wear and tear*

Where the car has been damaged beyond what is deemed to be fair wear and tear a charge may be levied to repair the damage.

#### *Excess mileage*

If the car's mileage has exceeded the contractual mileage, an excess mileage charge may apply.

#### *End of contract charges*

When completing your application to join the Scheme you must agree that you are responsible for any applicable fair wear and tear or excess mileage charges following the return of the car. Once notified by CVSL your employer may, at its discretion, pass on any or all charges due which will then be deducted from your net pay in the following month.

### What is fair wear and tear?

The BVRLA Fair Wear & Tear Guide sets out a comprehensive definition of acceptable wear and tear, such as superficial stone chips or scratches.

For further information please see CVSL 's Fair Wear and Tear Guide. We advise assessing the condition of your car before arranging collection to ensure it complies with the guidelines.

### What is an early termination charge?

An early termination charge is the amount payable should your participation in the Scheme cease before the end of the agreed term and your car is returned to CVSL. Any early termination charge, equal to [50% of the remaining rentals] (including maintenance), will be notified to your employer by CVSL as soon as possible following receipt of the notification of early termination.

Subject to the exceptions noted below, per the terms and conditions of the Scheme where an early termination charge arises it will be recharged to you by your employer via a deduction from your net pay, or by invoice if you have left employment.

### Will I have to pay an early termination charge?

If you have to leave the Scheme early, if you do not arrange to purchase your car from CVSL and your employer is not able to offer you an alternative arrangement, such as a reallocation of your car to another employee the early termination charge will be passed on to you by your employer unless your employer exercise its discretion to waive some or all of the charge, which it may do under circumstances such as:-

you leave employment as a result of redundancy, ill-health retirement or death in service; or  
you lose your driving licence on medical grounds.

### **Can I buy the car at the end of the contract?**

Should you wish to purchase your car, CVSL will calculate the purchase price, taking into account your car's condition and mileage, and a date of purchase will be agreed with you. The purchase will be completed when an electronic payment has been made by you to the account designated by CVSL.

### **Can I purchase the car if I have to leave the Scheme early?**

If your circumstances change and you must leave the Scheme before the end of your agreement CVSL may, at its discretion, offer you the option to purchase the car.

A purchase price, reflecting the car's market value, taking into account it's condition and mileage, and the outstanding rentals would be calculated by CVSL and a date of purchase agreed with you. Once the agreement to purchase has been signed by you and CVSL, your purchase will be completed when an electronic payment has been made by you to the bank account designated by CVSL.

### **What are my options if I leave the Scheme early and don't want to purchase the car?**

If you do not purchase the car it will be returned to CVSL and an early termination charge levied unless, your employer, at its discretion, reallocates your car to another employee or retains it as a pool car.

### **Can I extend the length of the contract?**

No. The length of the contract cannot be varied.

## Motor insurance

### Will I be responsible for arranging motor insurance?

Comprehensive insurance is included and will be arranged by your employer when you join the Scheme.

### Will I have to pay the insurance premium?

The insurance premium will be included within your salary sacrifice.

### Will the insurance premium change every year, or if I make a claim?

It's possible as the insurance premium included within your gross salary sacrifice is only valid for 1 year and may change on renewal. However, we do not anticipate that the difference in the premium from year to year will be significantly different unless you make a claim.

Your Scheme insurer may also vary your insurance premium should you make a claim, and any claims made may also be taken in to account should you choose an additional car under the Scheme, or wish to re-join the Scheme at the end of your agreement and select another car.

### What cover is included?

For details of the cover included with your motor insurance, policy excesses, information regarding additional drivers, windscreen repair and replacement and any other queries please contact your employer, which has arranged the insurance provided for your Scheme car.

### Do I maintain my "no claims" discount if I enter the Scheme?

Your 'no claims' status should not be affected by entering the Scheme because the insurance is provided as part of a corporate policy. This means however that you will not earn any additional 'no claims' years during the contract term. For further clarification you should speak with your employer or the insurer of your current car.

### What do I do in the event of an accident or theft?

Once you have assured your own safety, and that of any passengers, and have contacted the emergency services if appropriate, please contact your employer and/or follow their guidance, as set out in their policy governing the use of company/salary sacrifice cars.

### What should I do if I have received an endorseable motoring offence?

You must notify your employer, who will inform your insurer, if you or any additional driver receives an endorseable motoring offence.

If the offence means you, or an additional driver, no longer meet the eligibility criteria prescribed by your insurer, and your insurance cover cannot be maintained your salary sacrifice agreement will be terminated. Please refer to the section entitled **End of contract and early termination** for further information about early termination charges and how you may purchase your car.

### What happens if the car is a write-off or stolen and not recovered?

In either of these circumstances, your salary sacrifice will continue until such time as the insurance claim has been settled at which point it will be terminated. If the insurance settlement is not sufficient to fully reimburse CVSL's losses the shortfall may be recharged to your employer as an early termination charge, which your employer may then recharge to you via a deduction from your net pay or via invoice if you have left employment, unless your employer exercises its discretion to waive some or all of the charge.

Further information about early termination charges please refer to the section entitled

**End of contract and early termination.**

**What are my options if I'm disqualified from driving?**

You should contact your employer to confirm your disqualification.

If your insurance cover cannot be maintained by removing you from the policy and nominating a new main driver your salary sacrifice agreement will be terminated. Please refer to the section entitled **End of contract and early termination** for further information about early termination charges and how you may purchase your car.

**Am I insured to take my car abroad?**

Please liaise with your employer to confirm whether your insurance may be extended to cover overseas travel.

If you wish to take your vehicle abroad you will require a VE103 (Vehicle on hire) certificate which, subject to your company's approval, can be obtained directly from CVSL. Please apply online via CVSL.

**Does the insurance cover business use?**

As the insurance has been arranged by your employer it should cover your business use of the car, but you should confirm this with your employer, and whether any additional drivers are also covered for business journeys undertaken on behalf of their employer.

## Appendix 1 – Sample payslips

This appendix shows the impact on the payslip of an employee taking part in the Scheme.

### Example 1 – Basic rate taxpayer

Mr A Jones earns £30,000 per year and chooses a VW iD3 under the Scheme. The salary sacrificed is £523.28 per month. The car has a list price of £32,276 and zero emissions.

Before entering the Scheme the payslip for the month would be set out as follows:-

| Name                  | NI Number  | NI Category | Tax code                | Tax period       | Date             |
|-----------------------|------------|-------------|-------------------------|------------------|------------------|
| A Jones               | AB123456C  | A           | 25                      | 4                | 31/07/2022       |
| Pay and allowances    |            |             | Deductions <sup>4</sup> |                  |                  |
|                       | Tax period | Tax year    |                         | Tax period       | Tax year         |
| Salary                | £2,500.00  | £10,000.00  | Income tax              | £290.50          | £1,162.00        |
|                       |            |             | NIC – employee          | £192.39          | £858.99          |
| <b>TAXABLE PAY</b>    | £2,500.00  | £10,000.00  | <b>TOTAL DEDUCTIONS</b> | £482.89          | £2,020.99        |
| <b>NET PAY</b>        |            |             |                         | <b>£2,017.11</b> | <b>£7,979.01</b> |
| <b>NIC – EMPLOYER</b> |            |             |                         | £262.17          | £1,048.68        |

<sup>4</sup> Assumes income tax and NIC rates and allowances for 2022/23 apply.





Taking part in the Scheme means the payslip changes to reflect the salary sacrifice and the provision of a company car, which is taxed by the reduction of the tax code, from 1257L to 1192L to reflect the car's taxable value of £645.52 (£32,276 x 2%):-

| Name                  | NI Number  | NI Category | Tax code                | Tax period       | Date             |
|-----------------------|------------|-------------|-------------------------|------------------|------------------|
| A Jones               | AB123456C  | A           | 1192L                   | 4                | 31/07/2022       |
| Pay and allowances    |            |             | Deductions <sup>5</sup> |                  |                  |
|                       | Tax period | Tax year    |                         | Tax period       | Tax year         |
| Reference Salary      | £2,500.00  | £10,000.00  | Income tax              | £196.60          | £786.40          |
| Sacrifice             | (£523.28)  | (£2,093.12) | NIC – employee          | £123.06          | £581.67          |
| Revised Salary        | £1,976.72  | £7,906.88   |                         |                  |                  |
| <b>TAXABLE PAY</b>    | £1,976.72  | £7,906.88   | <b>TOTAL DEDUCTIONS</b> | £319.66          | £1,368.07        |
| <b>NET PAY</b>        |            |             |                         | <b>£1,657.06</b> | <b>£6,538.81</b> |
| <b>NIC – EMPLOYER</b> |            |             |                         | £183.42          | £733.68          |

Mr Jones' take-home pay has been reduced by £360.05 but in return he has the use of a car that costs £523.28 per month- a saving of £163.23 per month.

<sup>5</sup> Assumes income tax and NIC rates and allowances for 2022/23 apply.

And for 2023/24, as the Health and Social Care Levy (“HSCL”) will be applied separately, this should be reflected in the payslip as shown below:-

| Name                   | NI Number        | NI Category      | Tax code                | Tax period       | Date             |
|------------------------|------------------|------------------|-------------------------|------------------|------------------|
| A Jones                | AB123456C        | A                | 1192L                   | 1                | 30/04/2023       |
| Pay and allowances     |                  |                  | Deductions <sup>6</sup> |                  |                  |
|                        | Tax period       | Tax year         |                         | Tax period       | Tax year         |
| Reference Salary       | £2,500.00        | £2,500.00        | Income tax              | £196.60          | £196.60          |
| Sacrifice              | (£523.28)        | (£523.28)        | NIC – employee          | £111.45          | £111.45          |
| Revised Salary         | £1,976.72        | £1,976.72        | HSCL – employee         | £11.61           | £11.61           |
| <b>TAXABLE PAY</b>     | <b>£1,976.72</b> | <b>£1,976.72</b> | <b>TOTAL DEDUCTIONS</b> | <b>£319.66</b>   | <b>£319.66</b>   |
| <b>NET PAY</b>         |                  |                  |                         | <b>£1,657.06</b> | <b>£1,657.06</b> |
| <b>NIC – EMPLOYER</b>  |                  |                  |                         | £168.18          | £168.18          |
| <b>HSCL – EMPLOYER</b> |                  |                  |                         | £15.24           | £15.24           |

Mr Jones’ take-home pay has been reduced by £360.05 but in return he has the use of a car that costs £523.28 per month- a saving of £163.23 per month.

<sup>6</sup> Assumes income tax and NIC rates and allowances for 2022/23 apply.

*Example 2 – Higher rate taxpayer*

Mrs A Smith earns £70,000 per year and chooses a Tesla Model 3 under the Scheme. The salary sacrificed for the car, including maintenance, motor insurance, and roadside assistance is £899.74 per month. The car has a list price of £51,122, and zero emissions.

Before entering the Scheme the payslip for the month would be set out as follows:-

| Name                  | NI Number  | NI Category | Tax code                | Tax period       | Date              |
|-----------------------|------------|-------------|-------------------------|------------------|-------------------|
| A Jones               | AB123456C  | A           | 25                      | 4                | 31/07/2022        |
| Pay and allowances    |            |             | Deductions <sup>7</sup> |                  |                   |
|                       | Tax period | Tax year    |                         | Tax period       | Tax year          |
| Salary                | £5,833.33  | £23,333.32  | Income tax              | £1,286.00        | £5,144.00         |
|                       |            |             | NIC – employee          | £469.63          | £1,967.95         |
| <b>TAXABLE PAY</b>    | £5,833.33  | £23,333.32  | <b>TOTAL DEDUCTIONS</b> | £1,755.63        | £7,111.95         |
| <b>NET PAY</b>        |            |             |                         | <b>£4,077.70</b> | <b>£16,221.37</b> |
| <b>NIC – EMPLOYER</b> |            |             |                         | £763.84          | £3,055.36         |

<sup>7</sup> Assumes income tax and NIC rates and allowances for 2022/23 apply.

Taking part in the Scheme means the payslip changes to reflect the salary sacrifice and the provision of a company car, which is taxed by the reduction of the tax code, from 1257L to 1154L to reflect the car's taxable value of £1,022.44 (£51,122 x 2%):-

| Name                  | NI Number  | NI Category | Tax code                | Tax period       | Date              |
|-----------------------|------------|-------------|-------------------------|------------------|-------------------|
| A Smith               | AB123456C  | A           | 1154L                   | 4                | 31/07/2022        |
| Pay and allowances    |            |             | Deductions <sup>8</sup> |                  |                   |
|                       | Tax period | Tax year    |                         | Tax period       | Tax year          |
| Reference Salary      | £5,833.33  | £23,333.32  | Income tax              | £960.18          | £3,840.72         |
| Sacrifice             | (£899.74)  | (£3,598.96) | NIC – employee          | £440.38          | £1,850.95         |
| Revised Salary        | £4,933.59  | £19,734.36  |                         |                  |                   |
| <b>TAXABLE PAY</b>    | £4,933.59  | £19,734.36  | <b>TOTAL DEDUCTIONS</b> | £1,400.56        | £5,691.67         |
| <b>NET PAY</b>        |            |             |                         | <b>£3,533.03</b> | <b>£14,042.69</b> |
| <b>NIC – EMPLOYER</b> |            |             |                         | £628.43          | £2,513.72         |

Mrs Smith's take-home pay has been reduced by £544.67 but in return she has the use of a car that costs £899.74 per month- a saving of £355.07 per month.

8 Assumes income tax and NIC rates and allowances for 2022/23 apply.

And for 2023/24, as the Health and Social Care Levy (“HSCL”) will be applied separately this should be reflected in the payslip as shown below:-

| Name                   | NI Number        | NI Category      | Tax code                | Tax period       | Date             |
|------------------------|------------------|------------------|-------------------------|------------------|------------------|
| A Smith                | AB123456C        | A                | 1154L                   | 4                | 30/04/2023       |
| Pay and allowances     |                  |                  | Deductions <sup>9</sup> |                  |                  |
|                        | Tax period       | Tax year         |                         | Tax period       | Tax year         |
| Reference Salary       | £5,833.33        | £5,833.33        | Income tax              | £960.18          | £960.18          |
| Sacrifice              | (£899.74)        | (£899.74)        | NIC – employee          | £391.81          | £391.81          |
| Revised Salary         | £4,933.59        | £4,933.59        | HSCL – employee         | £48.57           | £48.57           |
| <b>TAXABLE PAY</b>     | <b>£4,933.59</b> | <b>£4,933.59</b> | <b>TOTAL DEDUCTIONS</b> | <b>£1,400.56</b> | <b>£1,400.56</b> |
| <b>NET PAY</b>         |                  |                  |                         | <b>£3,533.03</b> | <b>£3,533.03</b> |
| <b>NIC – EMPLOYER</b>  |                  |                  |                         | £576.23          | £576.23          |
| <b>HSCL – EMPLOYER</b> |                  |                  |                         | £52.19           | £52.19           |

Mrs Smith’s take-home pay has been reduced by £544.67 but in return he/she has the use of a car that costs £899.74 per month- a saving of £355.07 per month.

<sup>9</sup> Assumes income tax and NIC rates and allowances for 2022/23 apply.

*Example 3 – Higher rate taxpayer with a cash allowance*

Mr A Williams earns £70,000 per year and receives a cash allowance of £12,000; he chooses a Tesla Model 3 under the Scheme. The salary sacrificed is £899.74 per month. The car has a list price of £51,122, and zero emissions.

Before entering the Scheme the payslip for the month would be set out as follows:-

| Name                  | NI Number        | NI Category       | Tax code                 | Tax period       | Date              |
|-----------------------|------------------|-------------------|--------------------------|------------------|-------------------|
| A Williams            | AB123456C        | A                 | 1154L                    | 4                | 31/07/2022        |
| Pay and allowances    |                  |                   | Deductions <sup>10</sup> |                  |                   |
|                       | Tax period       | Tax year          |                          | Tax period       | Tax year          |
| Reference Salary      | £5,833.33        | £23,333.32        | Income tax               | £1,686.00        | £6,744.00         |
| Cash allowance        | £1,000.00        | £4,000.00         | NIC – employee           | £502.13          | £2,097.95         |
| <b>TAXABLE PAY</b>    | <b>£6,833.33</b> | <b>£27,333.32</b> | <b>TOTAL DEDUCTIONS</b>  | <b>£2,188.13</b> | <b>£8,841.95</b>  |
| <b>NET PAY</b>        |                  |                   |                          | <b>£4,645.20</b> | <b>£18,491.37</b> |
| <b>NIC – EMPLOYER</b> |                  |                   |                          | £914.34          | £3,657.36         |

<sup>10</sup> Assumes income tax and NIC rates and allowances for 2022/23 apply.

Taking part in the Scheme means the payslip changes to reflect the salary sacrifice and the provision of a company car, which is taxed by the reduction of the tax code, from 1257L to 1154L to reflect the car's taxable value of £1,022.44 (£51,122 x 2%):-

| Name                  | NI Number        | NI Category       | Tax code                 | Tax period       | Date              |
|-----------------------|------------------|-------------------|--------------------------|------------------|-------------------|
| A Williams            | AB123456C        | A                 | 1154L                    | 4                | 30/04/2023        |
| Pay and allowances    |                  |                   | Deductions <sup>11</sup> |                  |                   |
|                       | Tax period       | Tax year          |                          | Tax period       | Tax year          |
| Reference Salary      | £5,833.33        | £23,333.32        | Income tax               | £1,360.18        | £5,440.72         |
| Cash allowance        | £1,000.00        | £4,000.00         | NIC – employee           | £472.88          | £1,980.95         |
| Sacrifice             | (£899.74)        | (£3,598.96)       |                          |                  |                   |
| Revised Salary        | £5,933.59        | £23,734.36        |                          |                  |                   |
| <b>TAXABLE PAY</b>    | <b>£5,933.59</b> | <b>£23,734.36</b> | <b>TOTAL DEDUCTIONS</b>  | <b>£1,833.06</b> | <b>£7,421.67</b>  |
| <b>NET PAY</b>        |                  |                   |                          | <b>£4,100.53</b> | <b>£16,312.69</b> |
| <b>NIC – EMPLOYER</b> |                  |                   |                          | <b>£778.93</b>   | <b>£3,115.72</b>  |

Mr Williams' take-home pay has been reduced by £544.67 but in return he/she has the use of a car that costs £899.74 per month- a saving of £355.07 per month.

11 Assumes income tax and NIC rates and allowances for 2022/23 apply.



And for 2023/24 the Health and Social Care Levy (“HSCL”) will be applied separately and this should be reflected in the payslip as shown below:-

| Name                  | NI Number        | NI Category      | Tax code                 | Tax period       | Date             |
|-----------------------|------------------|------------------|--------------------------|------------------|------------------|
| A Williams            | AB123456C        | A                | 1154L                    | 1                | 30/04/2023       |
| Pay and allowances    |                  |                  | Deductions <sup>12</sup> |                  |                  |
|                       | Tax period       | Tax year         |                          | Tax period       | Tax year         |
| Reference Salary      | £5,833.33        | £5,833.33        | Income tax               | £1,360.18        | £5,440.72        |
| Cash allowance        | £1,000.00        | £1,000.00        | NIC – employee           | £411.81          | £411.81          |
| Sacrifice             | (£899.74)        | (£899.74)        | HSCL – employee          | £61.07           | £61.07           |
| Revised Salary        | £5,933.59        | £5,933.59        |                          |                  |                  |
| <b>TAXABLE PAY</b>    | <b>£5,933.59</b> | <b>£5,933.59</b> | <b>TOTAL DEDUCTIONS</b>  | <b>£1,833.06</b> | <b>£1,833.06</b> |
| <b>NET PAY</b>        |                  |                  |                          | <b>£4,100.53</b> | <b>£4,100.53</b> |
| <b>NIC – EMPLOYER</b> |                  |                  |                          | <b>£64.69</b>    | <b>£64.69</b>    |

Mr Williams’ take-home pay has been reduced by £544.67 but in return he/she has the use of a car that costs £899.74 per month- a saving of £355.07 per month.

<sup>12</sup> Assumes income tax and NIC rates and allowances for 2022/23 apply.

This guide is based on based upon the latest applicable legislation and reflects our understanding of law and practice as at the date of publication.

It is published on the understanding that CVSL Limited is not engaged in providing tax, legal or other professional services and that the information contained in this guide does not constitute advice. Users are advised that they should obtain such professional advice before taking action, or refraining from taking action, on the basis of the information set out in this guide.

Every effort has been taken to compile the contents of this guide accurately and carefully. However, CVSL Limited cannot accept any responsibility or liability to any person in respect of anything done or omitted to be done by any such person in reliance, partly or wholly, on any part or on the whole contents of this guide.

All rights reserved. No part of this guide may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of CVSL Limited.