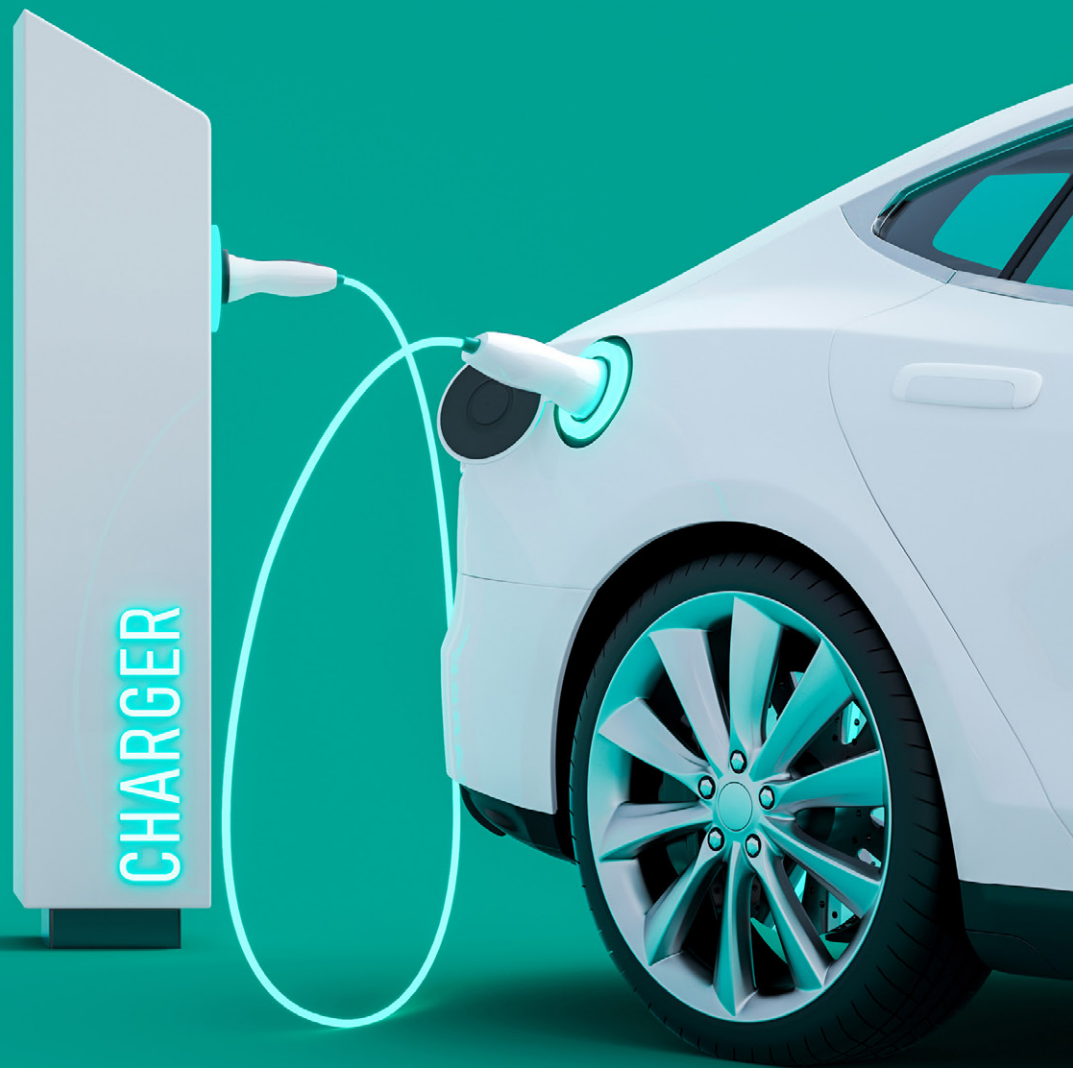




Leasing made easy

ELECTRIC CAR SALARY SACRIFICE SCHEME

Employee Factsheet



Salary sacrifice

What is it?

Salary sacrifice is an attractive, yet tried and tested method of delivering a tax efficient benefit to employees, at little or no cost to their employer. It enables an employee to drive a brand new, cost effective electric car for a great deal less than if they leased it privately.

Your employer leases a tax efficient zero emission electric car, which it provides to you as a company car, in return for the salary sacrifice. As the cost of the car is deducted from your gross salary, payroll deductions are based on your lower, revised salary, thus reducing the income tax, National Insurance Contributions (“NIC”), and Health and Social Care Levy (“HSCL”) you pay each month.

In addition, because your employer may be able to recover Value Added Tax (“VAT”) on its rental and maintenance costs, which you can’t recover if you personally lease a car, you may be able to enjoy even greater savings.

Sample quotes for two of the most popular electric vehicles are presented at the end of this factsheet.

Benefits to you

- Cost effective access to a brand new zero emission electric car
- Income tax, NIC, and HSCL savings
- Typically, between 30% to 45% tax savings
- Additional VAT savings potentially available
- No deposit or credit check
- Flexible mileage and term
- Maintenance, breakdown cover and tyre replacement
- Comprehensive motor insurance and accident management

Salary sacrifice and electric cars

Salary sacrifice is particularly effective for employees who choose a fully electric, zero emission car because they attract very low rates of company car tax.

You save much more income tax, NIC, and HSCL on the salary you give up compared to the minimal amount of tax you pay on your new company car.

Want to find out more?

Speak to us about salary sacrifice and receive simple, unbiased advice about the savings available to you and your employer.

CVSL

To speak to one of our specialist advisers:-

Telephone:- **0800 085 4256**

E-mail:- sales@cvsl.co.uk

Examples of the savings available with Salary Sacrifice.

Volkswagen ID.3

150KW Life Pro 58kWh 5dr Auto



Tesla Model 3

RWD 4dr Auto



Gross Salary sacrifice	£685.25
Income tax saved on salary sacrifice	(£137.05)
NIC saved on salary sacrifice	(£90.80)
BiK tax paid on company car	£10.73
Monthly net salary sacrifice	£468.13

Reduction in the employee's take home pay, that is after tax and NIC have been applied.

Employee Savings

Salary sacrifice		PCH
Monthly gross sacrifice	Monthly net sacrifice	Monthly cost
£685	£468	£742
Amount sacrificed from gross salary	Reduction in take home pay	Cost to lease the car personally

Employee saving of **£9,864** over the term

Salary sacrifice quotation based on a 3 year, 1/0/35, 10,000 miles per annum maintained contract starting on 6 April 2022 for a 40 year old UK basic rate taxpayer residing in Knutsford, on a car with P11D value of £32,185. Assumes the employer is able to recover all VAT incurred, subject to the 50% block on the recovery of VAT incurred on the finance element of the contract hire rental. Income tax, National Insurance Contribution ("NIC") and Value Added Tax ("VAT") rates, and BIK percentages, used per latest UK and Scottish government legislation and announcements; for the purposes of this quotation the Health and Social Care Levy has been included within NIC.

Personal Contract Hire ("PCH") quotation based on a 3 year, 1/0/35, 10,000 miles per annum maintained contract starting on 6 April 2022 for a 40 year old residing in Knutsford. The insurance premium included within the monthly PCH cost is the same as that used for the salary sacrifice quotation.

Calculations prepared in March 2022.

Gross Salary sacrifice	£870.89
Income tax saved on salary sacrifice	(£348.36)
NIC saved on salary sacrifice	(£28.30)
BiK tax paid on company car	£27.96
Monthly net salary sacrifice	£522.19

Reduction in the employee's take home pay, that is after tax and NIC have been applied.

Employee Savings

Salary sacrifice		PCH
Monthly gross sacrifice	Monthly net sacrifice	Monthly cost
£871	£522	£940
Amount sacrificed from gross salary	Reduction in take home pay	Cost to lease the car personally

Employee saving of **£15,084** over the term

Salary sacrifice quotation based on a 3 year, 1/0/35, 10,000 miles per annum maintained contract starting on 6 April 2022 for a 40 year old UK higher rate taxpayer residing in Knutsford, on a car with P11D value of £41,935. Assumes the employer is able to recover all VAT incurred, subject to the 50% block on the recovery of VAT incurred on the finance element of the contract hire rental. Income tax, National Insurance Contribution ("NIC") and Value Added Tax ("VAT") rates, and BIK percentages, used per latest UK and Scottish government legislation and announcements; for the purposes of this quotation the Health and Social Care Levy has been included within NIC.

Personal Contract Hire ("PCH") quotation based on a 3 year, 1/0/35, 10,000 miles per annum maintained contract starting on 6 April 2022 for a 40 year old residing in Knutsford. The insurance premium included within the monthly PCH cost is the same as that used for the salary sacrifice quotation.

Calculations prepared in March 2022.