

# Car Benefit Scheme – all you need to know



**Tusker.**

The Car Benefit People



**The cost of running a car is rising all the time, so there's no better way to drive a brand new car than with a Car Benefit Scheme. Employee benefits never looked so good!**



# What is the Car Benefit Scheme?

It's a fantastic benefit, organised with your employer. You're able to get a brand new car, complete with insurance, road tax, replacement tyres, routine servicing and maintenance, as well as full RAC breakdown cover, for a fixed monthly amount.

The amount is taken directly from your salary via a salary sacrifice arrangement, so you don't even need to worry about setting up any direct debits. There are no deposits or credit checks either.

All you have to do is be employed for more than your employer's minimum period, and earn over the National Living Wage after the sacrificed salary has been taken.\*

# What is a salary sacrifice arrangement?

Tusker's Car Benefit Scheme is a salary sacrifice arrangement. This means that you agree to give up part of your salary in exchange for a non-cash benefit – in this case a brand new fully insured and maintained car.

The reduction to your salary is made before income tax and National Insurance, making it better value than a normal private lease agreement. Under the scheme you will need to pay company car tax, also known as Benefit in Kind tax as the car is being provided as a benefit by your company.



## How is company car tax calculated?

For Ultra Low Emission Vehicles (ULEVs), which are cars with CO<sub>2</sub> emissions of 75g/km and below, you will pay tax on the Benefit in Kind value. This value is determined by the car's P11D value (list price, including extras and VAT, but without the first-year registration fee and vehicle tax) and then multiplied by the BiK rate which is based on the CO<sub>2</sub> emissions and fuel type.

This figure is then multiplied by your tax rate (e.g. 20%, 40% or 45%) to calculate the annual amount of company car tax to be paid. For cars that are pure electric, you won't pay any Benefit in Kind tax until April 2021, when the BiK rate will be 1%.

For cars with CO<sub>2</sub> emissions above 75g/km, the taxable benefit is determined by the higher value of either your income tax saving on the gross salary sacrifice amount or the Benefit in Kind value explained above.

For more information, please visit: <https://www.gov.uk/tax-company-benefits/tax-on-company-cars>



# What's included in the fixed monthly cost?



A brand new car, of your choice



Servicing and maintenance for fair, wear & tear



Fully comprehensive, motor insurance for you and your domestic partner



Annual road fund licence



Full breakdown cover



Replacement tyres



Lifestyle protections in case of changes to your circumstances such as resignation, redundancy etc. This will vary by customer so please check your scheme policy to see full details of what's included.









## Benefits of choosing a car through the scheme:

- Worry-free motoring: drive away a brand new car at a fixed monthly cost
- National Insurance savings
- Income tax savings on electric cars
- Fixed-cost motor insurance
- One call number for all your motoring needs
- Excellent fleet and corporate discounts
- Great savings available if an electric car is selected from our range

# How does it compare to similar dealership offers?

Having researched the market, we can't find another option which is as cost-effective as salary sacrifice. While dealer offers often claim to be cheaper, adding insurance, road tax, servicing, breakdown cover and tyres to that figure, makes Tusker's scheme very attractive.

Example savings on a Vauxhall Corsa Hatch 0.0Electric 50kWh Corsa-e SE Nav

	Tusker Salary Sacrifice Car	Local Personal Contract Purchase
Mileage	10,000	10,000
Term	36 months	36 months
Deposit / initial payment?		<b>£2737.00</b>
<b>Net Monthly rental</b>	<b>£317.16</b>	<b>£393.82</b>
Insurance cost	Included	<b>£34.16</b>
Breakdown Cover	Included	Included
Road Fund Licence	Included	Included
Tyres	Included	<b>£8.12</b>
Service, Repair & MOT (labour & parts)	Included	<b>£15.00</b>
Early termination protection	Included	
<b>Monthly amount including running costs and deposit</b>	<b>£317.16</b>	<b>£527.12</b>
Total amount Payable (36 months)	<b>£11,417.76*</b>	<b>£18,976.32</b>
<b>Car Benefit Saving</b>		<b>£7,558.56</b>

There is no deposit to pay, and everything is included for a fixed monthly amount.

\*Quote correct as of August 2020 and based on a 40yr old driver with 3 years no claims and living in area code ne6. 'Local Personal Contract purchase' price taken from manufacturer website. Insurance cost taken from leading comparison website.







## How do I choose my new car?

Order your new car today online by visiting your driver homepage. On our website you can effortlessly search the huge range of cars available to custom order, view our cars in stock page, watch videos about the scheme, prepare quotations, read expert reviews and compare the cars you're interested in.

Once you've decided on the car you want, simply submit your selection online and we'll arrange the final approval with your employer, and send you all of the relevant paperwork to sign.

## How long will my new car take to arrive?

This varies depending on which car you choose but as your car will be built to order it's typically around 12 weeks. Once you have placed your order we will contact you to provide you with all the information you need, including an estimated delivery date. If ordering a car from the stock page, it could arrive in as little as 2-3 weeks after all the paperwork has been signed. If you have an existing car to sell we'd always advise to wait until your new car has been delivered.

# Frequently Asked Questions

## **Sacrificing my salary? Sounds a bit daunting.**

Not at all. In fact, you end up saving money because you are sacrificing part of your gross salary. Gross salary is the amount you earn before income tax and National Insurance, meaning you could make some savings, depending on the car you choose.

## **Could I get a similar deal from my local dealer?**

No, the tax and NI savings are only available via a salary sacrifice scheme. Because we enter into a scheme with your employer, we can also pass on corporate finance rates, fleet discounts and volume-related bonuses not available on any retail-based purchase schemes.

## **Which vehicles give me the best savings?**

The most wallet-friendly cars are electric cars and ultra-low emission cars which have emissions of under 75g/km. There is a wide range of these vehicles to order on our site from small hatchbacks to large SUVs. There are also regular special offers which come direct from manufacturers or from Tusker. Sign up to receive special offer emails when you create your account, and keep an eye out for them on your driver site.

## **Can I add any additional drivers?**

Yes, on our online system you'll be able to choose if you'd like to include anyone else on the insurance to drive the car.

## **Who is the vehicle leasing contract between?**

Your organisation leases the vehicles from Tusker, while the salary sacrifice agreement is between you and your employer.

## **Can I part exchange my old car?**

We currently do not offer part exchange, although we do have a partnership with WeBuyAnyCar. You can get a quick valuation on your current vehicle by visiting the bottom of your quote on our driver site.



### **What is the gross and net cost?**

We invoice your employer for the gross amount. The Net amount is your take home pay after income tax/NI/BiK has been deducted.

### **What happens when my car needs a service?**

Call us. It's as simple as that. All servicing is included under the scheme (subject to normal wear and tear). Just contact us by phone or via the website and we'll arrange to collect the vehicle from your home or office. Once we're done, we'll drop it back to you.

### **Will salary sacrifice affect my pension?**

Provided you pay the minimum requirement for NI, this scheme shouldn't affect your basic State Pension. However, it may have a small effect on your Second State Pension or any private pensions you've arranged with your employer. If you're not sure, contact your pension scheme consultant or HR department.

### **What happens if I do more or less miles than I first thought?**

Unexpected trips, the freedom of having a new car — sometimes you end up driving it more than you thought. Be careful though, if you give the car back with more miles on the clock than you originally agreed to, you will have to pay an excess mileage charge to cover depreciation and servicing costs. But don't worry, if it gets to 12 months and you know your first estimate was a little out, just get in touch with us and we can amend and update the agreement to avoid any excess mileage charges.

### **What happens if I resign?**

There are lifestyle protections in place for events such as resignation. To find out whether these protections apply to you, please refer to your scheme policy or FAQs document on the website.

### **What happens at the end of the agreement?**

Tusker will contact you six months before you're due to return your vehicle to discuss your options. We'll also send you a fair wear & tear guide, giving you the chance to see if you need to get any damage repaired. You can choose to return the vehicle and swap it for a brand new one, you can buy the car outright, or we can arrange finance for you to pay for it over an agreed period. If you want to buy outright, we'll give you a final purchase price two months before the end of the agreement.



## Where can I get more information or help?

We have a dedicated Employee Engagement Team who offer support and guidance to make sure that you fully understand the scheme. They can also help you choose the right car to suit your needs and lifestyle.

You can get in touch with them on **0333 400 7431** or email **EETeam@tuskerdirect.com**.

There's also a wealth of information on our website, at **www.tuskercars.com**.



**Let's talk**

Call us on 0333 400 7431 or email [EETeam@tuskerdirect.com](mailto:EETeam@tuskerdirect.com)

**[www.tusker cars.com](http://www.tusker cars.com)**

