

Your FAQs for GMP Drivercare's Salary Sacrifice Scheme

How does the GMP Drivercare Car Salary Sacrifice Scheme work?

Should you wish to join the Scheme you would formally agree to sacrifice part of your gross salary. In return, your employer would provide you with the zero-emission company car of your choice, which will be leased by your employer via GMP Drivercare Limited.

How much could I save?

The advantage of salary sacrifice is that you do not pay income tax or NIC on the amount sacrificed. Although company cars are subject to taxation as a benefit-in-kind, over the next few years the income tax due on zero-emission electric cars will be substantially less than the income tax and NIC saved on the salary sacrificed. Using GMP Drivercare's multi-bid approach, which ensures you always get access to the most competitive lease deals available from over 21 different funders. You would be able to drive a brand new car for a much lower cost than if you leased it personally from your net income.

Your precise savings will depend upon your personal tax circumstances and the make and model of the car you choose. Refer to the Electric Fleets section of GMP Drivercare's website for further information and guidance on electric cars.

What would I be entitled to if I joined the Scheme?

The Scheme includes the provision of the car, including road fund licence, servicing, maintenance, tyres, 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.

Are second-hand cars available under the Scheme?

This may be possible, subject to availability and would be limited to Scheme cars which have been handed back by other participants before the end of their agreed salary sacrifice term.

Is salary sacrifice right for me?

In order to benefit from the tax and NIC 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. 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.

What are the criteria for eligibility?

To be able to participate, in addition to being eligible for the Scheme insurance, you would be required to:

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 with additional insurance access premium for drivers aged between 21-25

Your employer may also stipulate that you:-

are a permanent member of staff, not on a temporary or fixed-term 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.

Financial impact

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 financial position.

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

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

How would participation in the Scheme affect the amount of income tax and NIC I pay?

You would no longer pay income tax or NIC on the gross salary you give up. But as the car is a company car, and therefore a taxable benefit, you would pay income tax on the value of the benefit.

Employees should refer to the HMRC website for further information on company car tax and how it is calculated. www.hmrc.gov.uk/cars.

Would participation affect any other payments or benefits made to me by the Company?

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 original salary before taking account of any salary sacrifice adjustment.

What if participation causes my salary to fall below the National Minimum Wage?

Your pay must not fall below the National Living Wage or the National Minimum Wage

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

Your entitlement to state benefits may be affected as a result of your participation in the Scheme if your average gross weekly earnings fall below the weekly earnings threshold.

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.

Are there any other implications of joining the Scheme?

Deciding to join a salary sacrifice scheme could have a number of implications such as potentially affecting your entitlement to tax credits, the amount you repay to the Student Loan Company or your entitlement to the State Pension.

If you are unsure about the impact salary sacrifice could have on your personal finances you should consult an independent financial adviser.

I am interested

Which cars could I choose under the Scheme?

Your choice of car would be restricted to electric cars only and may be affected by your salary and the availability of insurance, which may depend on your age and postcode.

How would I find out which cars are available?

From Sal-Sac, GMP Drivercare's cloud-based management and reporting platform, you'll be able to access a dedicated salary sacrifice portal via which you'll be able to search for your ideal electric car from the hundreds of models now available from a wide range of manufacturers.

Could I choose colours and add options?

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

What would be included with my car?

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

How would I order my chosen car?

Once you're ready to order a car you should submit an enquiry from GMP Drivercare's dedicated salary sacrifice portal.

What happens once I place an order?

Once authorisation has been received from your employer, and you and your employer have signed the salary sacrifice agreement, GMP Drivercare will place the order with the dealer, finalise the lease with the chosen lender and let you know the estimated delivery date.

How long must I keep the car?

Your contract is for a fixed term of 2, 3 or 4 years. Within 4 months of the end of your contract, GMP Drivercare's dedicated account Co-ordinator will contact you to discuss your options and your potential choice of a new replacement car.

How do I find out how much my salary sacrifice would be?

You will be provided with a quote from GMP Drivercare which would contain the gross salary sacrifice you will make each month.

When would my salary sacrifice start?

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

When would I organise the installation of a charge point for my home?

You would organise the installation of a charge point at your home once your car has been ordered.

GMP Drivercare has teamed up with PodPoint to offer home charge point installations for Scheme participants.

Would 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 would 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
- use of the heater or air conditioning.

But you should remember that your car will also 'make' additional electric miles on many journeys, where you drive economically and at lower speeds.

Would I need to change my electricity tariff?

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

How would I manage the maintenance of my car?

General maintenance and breakdown services would be 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 would contact your lender via the dedicated support line accessible from GMP Drivercare's mobile app, portal or by calling our office.

What would happen if I leave employment?

You would 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.

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

GMP Drivercare would contact you 4 months prior to expiry of your current agreement to outline the process to return your car and renew your participation in the Scheme.

What would happen when I return my car?

Following its return to the lender your car would be inspected. This inspection would note any damage to the car in accordance with BVRLA Fair Wear & Tear standards, along with the completed mileage.

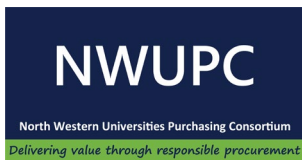
Unfair wear and tear – Where the car has been damaged beyond what is deemed to be fair wear and tear a charge may be levied to repair the damage.

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.

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 the lender. Any early termination charge will be calculated and notified to your employer by GMP Drivercare as soon as possible following receipt of the notification of early termination. As an indication, if you terminate within the first year, you will be liable to the equivalent of 5 monthly rentals, terminating within 2 years



NWUPC Ltd
Room 404, 4th Floor,
Crescent House,
University of Salford,
Salford,
M5 4WT
Telephone: 0161 234 8000
www.nwupc.ac.uk

would be the equivalent of 3 monthly rentals and terminating in the 3rd year would be the equivalent of 1 monthly rental. However, we suggest you contact us for clarification.

Subject to certain possible exceptions, 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.

Would 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, subject to the discretion of the lender, 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 would be passed on to you by your employer unless your employer exercises its discretion to waive some or all of the charge.

What should you do next?

For further information on the salary sacrifice scheme go to the GMP Drivercare website www.gmpdrivercare.co.uk and create an account to access a personal member's area. When you are creating your account you will need to use your specific Unique Identifier. This Unique Identifier will be a selection of characters chosen by your employer and will enable our system to determine which company it is that you work for so that all the features and information that you will find in your member's area are specific and relevant to you and your employer.

If you have any queries, please contact GMP Drivercare on 0330 100 49 10 or email: salariesacrificeorders@gmpdrivercare.co.uk