



HUMAN RESOURCES

# **ELECTRIC VEHICLE SALARY SACRIFICE SCHEME POLICY**



## Document Information

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## Document Version History

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## GLOSSARY

- **Actual Salary** - Your reference salary less your Salary Sacrifice amounts, e.g. Smart Pension, Smart AVC, Childcare, Cycle to Work or Buying Leave.
- **BVRLA** – British Vehicle Rental and Leasing Association
- **Employer** – Northern Ireland Electricity Networks Limited
- **Employee** – The individual employed by the Employer
- **EV** – Fully electric vehicle
- **HMRC** – HM Revenue & Customs
- **Insurance Excess** – This is the amount you will need to contribute towards the cost of an insurance claim, the remainder is paid by the insurer
- **Net Pay** - Your pay after any deductions such as Tax, National Insurance and pension contributions.
- **Reference Salary** - The salary that forms part of an Employee's terms of employment (the contractual basic salary) without any SMART Benefit adjustments/salary sacrifice Benefits. It is not affected by the participation in SMART Pension, Cycle to work, Childcare salary sacrifice, Electric Vehicle salary sacrifice or buying leave.
- **Salary Sacrifice** – the method by which the Vehicle Value and the Other Services and Benefits Value are sacrificed from the Employee's Reference Salary before Tax and/or National Insurance are calculated. Tax and/or National Insurance are then calculated on the lower Actual Salary.
- **Scheme Administrator** - shall mean Knowles Fleet
- **Service** - A set of maintenance tasks conducted at specific time intervals or after the vehicle has travelled a certain number of miles. The intervals are specified by the manufacturer and some modern cars display the due date for the next service electronically on the instrument panel.

## 1. OVERVIEW

The Electric Vehicle Salary Sacrifice Scheme is a new benefit, designed to provide eligible Employees with access to sustainable, competitively priced and trouble-free motoring. Under the scheme, in return for a reduction of Reference Salary you will be provided with a lease car via the Employer's lease car suppliers (via the Scheme Administrators) for a period of either 2, 3, 4 years.

There is no deposit required. The salary reduction is provided in the quote and may change for the reasons outlined herein. The car will be insured for yourself and up to three additional named drivers (assuming they hold a full driving licence).

At the end of the lease period, you can return the car with no additional charge subject to the vehicle meeting the required return standards (BVRLA Guidelines) and having covered no more than the agreed contracted mileage.

Using a Salary Sacrifice scheme enables you to make tax and national insurance savings subject to your salary not falling below national minimum/living wage levels. Please see section 11 for statutory benefit considerations. The provision of the car will make you liable to a company car

Benefit in Kind (BIK) tax charge at HMRC rates. Rates for EV's are currently considerably lower than those for petrol, diesel and most mild hybrids. Currently, BIK for an EV is 2% (2023/24) of the manufacturer's list price and is due to remain at that rate up to April 2025. It is expected to increase to 3% in 2025/26, to 4% in 2026/27, and 5% in 2027/28.

## 1.1 Competitive prices

Competitive lease costs are obtained by using the Scheme Administrator's buying power and obtaining quotes from multiple lessors to secure car leases at the most competitive price. This, combined with the savings through the use of Salary Sacrifice, means that the scheme provides an attractive option to employees.

## 1.2 No deposit

Under the scheme, there is no initial deposit required so the cost is funded by a monthly payment over the duration of the agreement.

## 1.3 Full maintenance included

All routine servicing and repair costs arising from normal usage of the vehicle are included in the charge. UK and RoI Breakdown cover is also included. Non-standard costs, such as repairs, would be outside of this if not covered by manufacturer guarantees. This includes normal wear of exhausts, replacement batteries, even puncture repair and the replacement of tyres as a result of fair wear and tear.

## 1.4 Insurance cover

Fully comprehensive insurance cover is included within the scheme covering the UK and RoI (and EU upon request by employee) under an individual insurance policy. The standard insurance includes cover for the Employee and up to three additional named drivers.

## 1.5 Trouble-free budgeting

The monthly Salary Sacrifice is fixed at the beginning of the agreement and is held for the full term of the agreement, unless the contract mileage is adjusted or there is a change in government legislation i.e. Value Added Tax Rate / Insurance Premium Tax Rate. This means that even if interest rates rise substantially or expensive maintenance is required on the car (excluding any repairs not covered by insurance or needed due to misuse or negligence), your Salary Sacrifice deduction is not affected.

## 1.6 Easy ordering and high service levels

A dedicated team is available through the Scheme Administrator (who will manage the scheme for us) and they will work hard to ensure the process of ordering and receiving your new car is as

smooth as possible. The team will also advise and help you through the process of choosing, to receiving and on to using your new car.

## 1.7 Review of the scheme

As this is a new scheme NIE Networks will review the scheme on an ongoing basis and reserves the right to amend this scheme at any time.

## 2. PURPOSE

The purpose of the scheme is to provide Employees access to a new, sustainable vehicle. Employees may use the vehicle for business and / or private use.

The scheme will add towards Northern Ireland Electricity Networks' objective to reduce its carbon footprint by providing employees with an opportunity to lease new, more efficient cars with lower CO2 emissions to the cars they are currently driving.

## 3. ELIGIBILITY

Eligibility is subject to the following conditions:

- You are a permanent employee of NIE Networks or in fixed term contract where a lease can be secured in line with the contract period.
- You have successfully completed your probationary period, traineeship or apprenticeship
- You have an hourly rate 20% above the national minimum/living wage after all Salary Sacrifice reductions are processed.
- Entering a Salary Sacrifice arrangement and committing to a reduction in salary over the lease period
- NIE Networks' approval for an EV salary sacrifice will be assessed in line with other salary sacrifice schemes that you may have. NIE Networks reserves the right to decline any application
- The car chosen must be a fully electric vehicle (EV)
- You have a full valid driving licence for the vehicle (that has not been suspended for any reason)
- Only one car per Employee
- You are not working your notice, at risk of redundancy or under investigation for gross misconduct
- You are opting to take a car in good faith; that there are no circumstances known to you that would require you to terminate the agreement prematurely.

## **4. ACCESS TO THE SCHEME**

NIE Networks has appointed Knowles Fleet as Scheme Administrator to administer leased vehicles on its behalf. All aspects of the vehicle administration, from the initial quotation to procurement, maintenance Knowles Fleet will carry out their duties based on the contents of this policy.

Instant quotes can be obtained via [www.knowlesfleet.com](http://www.knowlesfleet.com)

Quotes are generally valid for 21 days: however, they are subject to change due to events outside of our control (e.g., changes in supply cost, interest rates, government grants or legislation).

All information regarding your contract of employment provided by you during the application process will be checked and verified by a representative of the HR department and the Scheme Administrator. The vehicle will not be ordered until these checks have been completed, which will be approved with two weeks. Once these checks have been completed, you will receive confirmation that the order for the vehicle selected has been placed by the Scheme Administrator.

The EV Salary Sacrifice Scheme will be open on a continuous basis so applications can be made at any time.

## **5. THE JOURNEY**

You will be required to submit your vehicle application via the secure portal, the application will be sent to payroll for approval before being ordered by Knowles Fleet.

As part of the approval process, you will also receive an addendum to your terms and conditions of employment via Adobe Sign, this document must be completed to remain compliant with HMRC regulations.

You will receive a weekly update e-mail from the Knowles Fleet procurement team regarding the status of your order. Once a vehicle arrives in stock you will then be contacted to arrange delivery of the vehicle at a time/date to suit you.

Prior to the vehicle being released by the supplying dealership to your selected delivery location a pre-delivery inspection will be undertaken to ensure that the vehicle is in pristine condition, at point of handover you will have a full demonstration of the vehicle by the logistic agent and undertake a further condition inspection prior to accepting the delivery. Should any defects be detected during the handover process these will be recorded by the logistic agent and Knowles Fleet will then liaise directly with the dealership/manufacturer to ensure swift repairs and appropriate compensation.

In the unfortunate event that you wish to cancel your order then you will need to do so as soon as possible to avoid unnecessary charges.

## **6. VEHICLE SELECTION**

Employees can make a free choice of vehicle subject to the following restrictions.

The choice of vehicle must be suitable for the performance of the driver's duties in a safe and appropriate manner.



There will be no limit on the cost of the car, as long as the reduction in salary is affordable and the employee's hourly rate is 20% above the National Minimum/Living Wage after all Salary Sacrifice reductions are processed.

National minimum wage/national living wage limits and other Salary Sacrifice agreements in place may reduce the amount you can Salary Sacrifice for a car.

NIE Networks is committed to sustainable development and to reduce the environmental impact of our business travel. Therefore, several measures have been introduced to encourage drivers to reduce their business and private travel and to select a car with zero tailpipe emissions. Only battery electric vehicles are available on the scheme.

In line with many insurance policies, the policy may place restrictions on certain vehicles being available to drivers – typically these would relate to the availability of high-performance vehicles to young drivers.

Finally, the image of NIE Networks and the way it is perceived is also affected by the choice of car and NIE Networks wishes to portray an image appropriate to its role as a provider of quality and value. Therefore, the NIE Networks retains the right to decline any request.

It is possible that there will be vehicles available that have been returned part way through the lease and are available to be reallocated with immediate availability. These can be seen on the Scheme Administrator's website under Offers – Reallocations.

## **7. DRIVERS**

It is possible to have up to three additional named drivers insured for the car.

Any named additional drivers are required to provide a copy of their licence to the Scheme Administrator. It is the Employee's responsibility to update the Scheme Administrator of any changes to additional driver's circumstances that may impact the outcome of the risk assessment such as driving convictions or any other motoring offences.

Employees must inform the Scheme Administrator of all penalty points or other motoring offences that may affect the driver's or any named additional driver's ability to drive the vehicle within 5 working days of confirmation from DVA. The loss of a driving licence may result in the car being withdrawn and an early termination penalty charged.

Where the following apply, additional drivers may be required to undergo a full risk assessment by the Scheme Administrator:

- Under 21 years old
- Driving less than 3 years
- 9 or more points on their licence
- A driving ban within the last three years

No drivers with a provisional licence can be insured on the car.

No drivers other than those who have been notified to the Scheme Administrator and have been accepted as named additional drivers are permitted to drive the leased vehicle.

## 8. HOW DOES THE SALARY SACRIFICE CAR SCHEME WORK?

The Salary Sacrifice Car Scheme will work as follows:

- NIE Networks will allow an Employee the use of a car of their choice (subject to meeting eligibility criteria and being available from the Scheme Administrator) and the Employee will agree to enter into a Salary Sacrifice arrangement.
- A Salary Sacrifice is an arrangement where an Employee 'sacrifices' part of their salary in return for a non- cash benefit (the use of a brand-new car including all servicing, routine maintenance, road tax, break down cover and insurance premium). As the sacrifice reduces Reference Salary, the Employee will pay lower income tax and national insurance.
- The value of the Salary Sacrifice will be based on all the cost elements for the selected vehicle excluding electric, non-standard maintenance costs and any insurance excesses due.
- The Employee is required to sign an amendment to their contract of employment with their agreement to sacrifice part of their Reference Salary in exchange for the car. This amendment is made through a Salary Sacrifice Car Agreement.
- The Salary Sacrifice arrangement will last for an agreed period (either 2, 3, 4 years), specified in an amendment to the employee's contract. At the end of the period, the amendment to contract will come to an end, the car will be returned, and the Employee will return to their original terms and conditions of employment. If in any month, the employee has insufficient pay to recover the whole amount of their electric vehicle salary sacrifice, NIE Networks will deduct part of the salary sacrifice (for example, the salary sacrifice will be deducted from your Occupational Maternity Pay or Occupational Sick pay). The Salary Sacrifice arrangement will be extended beyond the end of the lease period, where a salary reduction has been missed or where NIE Networks were unable to process the full salary sacrifice due to an employee's reduced pay. Alternatively, if an employee has missed a salary sacrifice reduction they can increase their salary sacrifice amount (subject to meeting the Minimum wage/National Living Wage) so that any missed salary sacrifice reductions are processed during the original term agreed period.
- At the end of the Salary Sacrifice agreement a payment reconciliation will be undertaken to ensure over the course of the agreement the correct value has been recovered.
- In the event that a balance is owed to NIE Networks following the reconciliation and the employee has insufficient salary for recovery then Knowles Fleet will liaise directly with the employee to arrange an alternative payment method.
- The Employee will be responsible for all electric costs for the vehicle but also be entitled to reclaim Business Mileage through MyView at the NIE Networks rate for their vehicle.
- The Scheme, and the right to participate in it, is entirely at the discretion of NIE Networks who may withdraw the facility at any time. If the scheme is withdrawn it will be to new participants, ensuring everyone currently within the scheme remains in until their agreement ends. If the scheme were to come to an end the employee will return to their

original terms and conditions of employment and their original gross salary (“Reference Pay”).

## **9. COMPANY CAR – TAXABLE BENEFIT IN KIND**

The car will be regarded as a ‘company car’ by HMRC. The Employee will be liable for the company car Benefit in Kind income tax charge that arises out of the arrangements on the provision of a company car in accordance with HMRC guidance. Details of which will be provided through the quotation and confirmed at the start of the contract but may be subject to change by HMRC.

HMRC Rates prevailing at the time of writing can be found at -

<https://www.gov.uk/guidance/company-car-benefit-the-appropriate-percentage-480-appendix-2>

The taxable benefit charge will be collected through payroll.

HMRC will only allow an Employee to opt in, opt out or vary the payments of the car Salary Sacrifice agreement where a lifestyle change “significantly alters” Employee's financial circumstances. The Employee has the burden of proof to provide evidence to validate the claim.

## **10. HOW MUCH SALARY WILL I NEED TO SACRIFICE?**

Competitive lease costs are obtained by using the Scheme Administrator's buying power and obtaining quotes from multiple lessors to secure car leases at the most competitive price.

The exact costs and therefore reduction in salary will depend on individual circumstances and the car that is selected. Your earnings, tax rate and expected mileage will all influence the overall financial impact to you.

The price quoted may vary up to the point of delivery however the Salary Sacrifice will be fixed once the vehicle is delivered. Once the vehicle has been delivered prices will only change based on Government imposed levy changes, or changes to individual circumstances, for example changes affecting your insurance policy or increased mileage. Please refer to the Terms & Conditions for more information.

## **11. WHAT IS THE GENERAL EFFECT OF REDUCING TAXABLE SALARY?**

Employees accepting this proposal may pay a reduced amount of income tax and NIC and therefore in Net Pay terms might be better off each month. However, a number of state benefits are dependent on paying a minimum level of NIC, for instance statutory sick pay and job seekers allowance. You should consider the impact on such future benefits if the Salary Sacrifice means that your revised Reference Salary falls below the starting level for paying NIC. For further information on the current starting level for NIC please refer to HMRC guidelines.

Employees should be aware that agreeing a revised Actual Salary may affect other occupational and state benefits such as Statutory Maternity Pay, and SSP. Agreeing a revised Actual Salary

might also affect more general financial matters such as mortgage applications, however the majority of high street lenders take into account the arrangements outlined in this document when making mortgage decisions especially since many of the banking institutions already have similar arrangements in place for their own Employees.

Any other payments (i.e., over and above Reference Salary) such as overtime payments, pension contributions, and redundancy entitlements will continue to be calculated based on the higher reference salary.

Any annual salary progressions will be stated in terms of the Reference Salary. It is important to note that percentage salary increases will be made by reference to the Reference Salary.

### 11.1 Part-time workers

All earnings limit tests should be considered when calculating affordability. You should also consider any changes in your hours before committing to a fixed cost.

### 11.2 Pension

Pension contributions for the NIE Networks pension scheme are calculated from Reference Salary before Salary Sacrifice deductions. Therefore, the value of Salary Sacrifice does not impact pension contributions.

### 11.3 National minimum / living wage

The Salary Sacrifice cannot reduce an Employee's revised taxable salary (Actual salary) to a rate below the prescribed national minimum/living wage rate (i.e., so that their new rate of taxable pay would equate to less than the hourly legal minimum rate).

NIE Networks is obliged to pay you the legal minimum/living wage you are entitled to and may opt you out of the Salary Sacrifice scheme if your pay were to fall below this level. You will be contacted by NIE Networks Payroll if you fall below the national minimum/living wage to discuss what happens next.

You may be required to return the vehicle and will be liable to pay an early termination charge as a result of leaving the scheme before the end of the lease period. This will result in you returning to your Reference Salary and original terms and conditions of employment.

### 11.4 What if I am claiming tax credits?

From April 2003 the government introduced Working Tax Credit (WTC) and Child Tax Credit (CTC) and in 2013 Universal Credit (UC).

It should be noted that quotations do not take into account the impact on WTC, CTC or UC which may mean that it may not be appropriate for some Employees to participate in the scheme. WTC and UC are means tested and WTC affects the amount of CTC an Employee may receive.

These credits consider the earnings and savings of both the Employee and their spouse/ partner. If participating in the scheme were to alter the amount of credits an Employee could claim, any

loss of credits may be greater than the tax and NIC savings that may be generated. In principle a company car Benefit in Kind is considered earnings for the purposes of these credits.

Consequently, each Employee's situation is different, and it is necessary to take the spouse/partner's salary and savings into account in order to estimate the most realistic impact of participating in the Scheme. If you qualify for state benefits such as the Disabled Persons Tax Credit (DPTC) you may qualify for a higher level of credit.

If you are currently claiming WTC, CTC or UC you should consider very carefully the likely impact on your net disposable income before committing to any Salary Sacrifice.

## **12. LONG-TERM SICKNESS AND MATERNITY LEAVE**

NIE Networks recognises that people who are unable to work because of illness or incapacity, or who go on maternity leave during the period of the Salary Sacrifices, may have concerns about possession of a leased car.

### **12.1 Maternity, Paternity and Adoption Leave**

If you are expecting a baby and are considering joining our Salary Sacrifice Car Scheme, you need to be aware that your Statutory Maternity Pay ("SMP") will be impacted.

SMP is calculated on the amount of average weekly earnings, subject to National Insurance, during the eight-week period preceding the 15th week prior to the expected date of childbirth (weeks 17 to 25 of pregnancy). A "Salary Sacrifice" arrangement (such as a car lease) will reduce the amount of salary that is liable to National Insurance Contributions so may reduce the amount of Statutory Maternity Pay payable.

However, Occupational Maternity Pay ("OMP"), is calculated using the Reference Salary (before any sacrifices) in place at the start of the maternity leave period. During your period of OMP, you will be paid an amount to 'top up' your SMP to ensure your gross pay is not affected. If you are not entitled to OMP any "Salary Sacrifice" arrangements entered into during this period may reduce your entitlement to SMP and therefore gross pay received. Please refer to the Maternity Leave and Pay Policy for full details of the OMP scheme.

If you are receiving either SMP and Maternity, Adoption Pay, or Shared Paternal Pay you should contact Payroll to find out whether you are eligible to enter into Salary Sacrifice arrangements and take part in the Scheme after taking into account your other financial commitments which are deducted at source whilst on maternity leave, adoption or paternity leave.

Whilst on maternity, your Salary Sacrifice will continue to be deducted whilst your salary is sufficient to cover it. In the event that your salary will not cover the full salary sacrifice deduction, you will be contacted by NIE Networks Payroll to discuss the available options. This is because SMP is protected and we will not take Salary Sacrifice deductions from it.

Please ensure you read the Parental Leave policies carefully, if relevant, before entering a Salary Sacrifice arrangement with the Salary Sacrifice Car Scheme, and after taking into account your other financial commitments which are deducted at source, to ensure you can make a responsible and affordable decision whilst on maternity leave, adoption or paternity leave.

This may also apply to Shared Parental Leave or Statutory Adoption Pay and, in such circumstances, please contact the HR Department for a confidential discussion.

## 12.2 Sickness

Whilst in receipt of full sick pay, the Salary Sacrifice amount will continue to be deducted as normal from Occupational Sick Pay (“OSP”) except where OSP is less than the employee’s salary sacrifice amount. If the employee’s OSP is less than the Salary sacrifice amounts, the salary sacrifice payments processed will be equivalent to the OSP amount.

There is no obligation for NIE Networks to meet the Salary Sacrifice deductions during unpaid sickness. If you are unable to attend work due to sickness or incapacity for a period exceeding 12 months NIE Networks will review your circumstances sensitively and individually; and you may be required to return your electric vehicle.

Please refer to your Terms and Conditions of Employment for details of sickness entitlement and pay.

## 13. EARLY TERMINATION PENALTY

Where the Salary Sacrifice agreement is terminated early and the car returned following a lifestyle event, you will be charged a termination penalty. Please note that the termination penalty will be deducted from your net pay. In the event that you have insufficient pay to cover the termination penalty a letter will be issued advising you of the amount due to be paid and repayment of the outstanding amount must be agreed within 7 days.

Early termination penalties shall not be payable by the Employee in the event of the Employee's death in service or on early termination due to either a long term or terminal condition which prevents the Employee from working in the future.

You will be liable to pay the early termination costs in all other circumstances including leaving the salary sacrifice scheme early as a result of falling below the National Minimum/Living wage.

When choosing to terminate the Agreement early, you must provide the Scheme Administrator and NIE Networks with at least two months’ notice of your intention to terminate.

The early termination penalty will be confirmed in the quotation obtained from the Scheme Administrator portal and confirmed to you at point of application. The fee is based upon the length of the contract hire and the annual leasing cost and displayed on a year 1, 2, and 3-year basis.

At the end of the contract hire period, or on early termination of the contract, you will also be given the opportunity to purchase the vehicle at a rate agreed with the Leasing Company.

If you leave your employment at NIE Networks and move to another organisation the vehicle may transfer to the new employer, subject to the agreement of NIE Networks, the new employer and the lease company.

## 14. INSURANCE AND LIABILITY

The car will have fully comprehensive insurance for social, domestic, pleasure commuting and for business purposes of NIE Networks and is underwritten by NIG. If you require business insurance for any other purpose please speak to the Scheme Administrator who will advise you of any additional cost.

Up to three additional named drivers can be included on the insurance policy. Should you allow anyone to drive the car without being added to the insurance policy, you will be responsible for any losses.

You will not accumulate any no claims bonus under the scheme, however, you will be provided with a claims experience letter when you exit the scheme. This letter can then be provided to your new insurer, who in most cases, accepts this in lieu of a no claims bonus letter. In the event of any incident resulting in a claim against insurance, you will be liable for any insurance policy excess. If the circumstances of the claim allow the insurer to successfully achieve an Uninsured Loss Recovery (ULR) on behalf of the driver, you will be reimbursed. If the car is stolen or damaged beyond economical repair, you will need to continue with your payments until such times that the insurance company settles the claim. The excess rate levied depends upon the individual circumstances of the driver, factors such as age, if you are a new driver, use of a dashcam (fitted as standard by the Scheme Administrator) and vehicle selected. The excess rates shown are levied at the point of claim, not upon inception of the policy.

You will be responsible for any costs incurred by NIE Networks or the leasing company as a result of any claim, accident, death, personal injury, damage to or theft or loss of property caused by or to the vehicle which cannot be recovered by insurance.

Under the terms of your individual insurance policy, there are certain restrictions which relate to drivers who have received serious driving convictions. These restrictions apply to anyone entering the Electric Vehicle Salary Sacrifice Scheme:

- has been convicted during the past three years, or such longer period as the Insurers may require, of an offence for dangerous driving, drink/drugs;
- has been disqualified from driving.

In these circumstances you must not under any circumstance, drive the vehicle supplied under the Salary Sacrifice Car Scheme or allow anyone else to drive it without discussing the situation with the Scheme Administrator.

In addition to the above restrictions, in general no one under the age of 25 is permitted to drive a Tesla or any High-Performance vehicle.

In the event that the Scheme Administrator is unable to source an individual vehicle insurance policy based upon your personal circumstance then you will not be able to join the salary sacrifice electric vehicle scheme.

If you lose your driving licence for any reason you must inform the Scheme Administrator and the HR department immediately.

## 14.1 Insurance excess

Our standard excess rate is £250 (for Employees and named drivers); however, additional excess is payable on several factors as outlined below.

- Young driver additional excess:
  - for any driver under 21 years old will pay an additional excess of £300
  - for any driver aged 21 to 24 years old will pay an additional excess of £200

- If you have held your licence for less than 12 months, you will pay an additional excess of £200

If your dashcam is not in use or you decide not to supply the dashcam footage following an insurance claim an additional £150 excess applies.

High performance vehicle additional excess - for any vehicle that is deemed as a high-performance vehicle or a Tesla will pay an additional excess of £250. If you are under 25 you are not permitted to drive these vehicles.

The additional excesses noted above are cumulative.

You should not do anything that could invalidate the insurance on the vehicle. Wherever possible, it is preferable that you do not leave the vehicle parked on a public highway overnight. You must inform the Scheme Administrator of any change of address at which the vehicle will be kept and update MyView.

## 15. SERVICING, REPAIRS AND BREAKDOWNS

All routine servicing and repairs arising from normal usage are included within the scheme, any other amounts will be charged to you separately.

You must ensure that weekly checks such as tyre pressures, brake and other fluid levels, windscreen washer level and a visual inspection of lights, bodywork and windscreen are carried out.

You have a duty to ensure the car is properly and regularly maintained in accordance with the manufacturers and the lease company's instructions. Only approved agents must be used. You must co-operate with all reasonable requests by the Scheme Administrator (notified to you in your Driver's Handbook) to ensure maintenance and servicing is properly and swiftly carried out. Undue wearing of or damage to tyres must be reported to the Scheme Administrator immediately and the car must not be used unless the tyres conform to all relevant legal requirements. You should not change the car's tyres or battery without the consent of the Scheme Administrator.

You should contact the Scheme Administrator for advice on repairs and appropriate approved garages within UK, NI and RoI. Damage caused by misuse, negligence or excessive wear and tear will be charged to you.

All cars will have UK, NI, EU (including ROI) breakdown cover, details of which will be supplied with your vehicle.

The following are exclusions from the Lease Company breakdown cover and will result in a charge to you:

- Non – mechanical breakdowns that could have been avoided by the driver
- Running out of charge
- Lockouts (for the avoidance of doubt, mechanical faults are covered under the agreement)
- Wheel change – when the spare is not available
- Second call out for a battery that has been previously condemned by a patrol



*(Please note this list is not exhaustive and charges may apply where it is deemed that damage is caused due to negligence or abuse)*

## **16. MODIFICATIONS**

After-market tow bars may be fitted to lease cars, subject to written consent from the Scheme Administrator and the lessor and provided that no damage is incurred to the car either during or after installation. All tow bars must be fitted by an approved installer, and all associated costs of installation and optional removal at the end of the contract must be met by you.

## **17. RELIEF FOR COURTESY VEHICLES**

You do not have an automatic entitlement to a replacement vehicle if the lease car is unavailable due to normal repairs, servicing or following an accident and depends on availability. In the event an accident was classified as non-fault then a credit hire vehicle will be requested and charged to the third-party insurer. Any relief or courtesy vehicle is unlikely to be the same specification as the lease car and is normally a smaller car.

If the vehicle is a total loss, the garage will expect for the courtesy car to be returned (usually after 48 hours). This is an opportunity for you to make necessary alternative arrangements for a replacement vehicle at your own cost. The scheme manager may be able to assist with this.

## **18. PARKING FINES AND PENALTIES**

The driver remains responsible for any fixed penalty fines, parking fines, toll fines, penalties or any other motoring offences incurred during use of the vehicle. Any payment which becomes due and any associated administration fees levied by the Scheme Administrator will be met by you in all cases and deducted from Net Pay.

Necessary charges incurred for parking, road tolls and congestion charges whilst on business may be met by the Employer. These expenses must be claimed through the expenses system and authorised by the relevant approver in the normal way.

## **19. CONTRACT MILEAGE**

You will decide the appropriate total annual mileage to be undertaken for the duration of the lease period.

At the end of Salary Sacrifice if the average annual mileage exceeds the total agreed mileage over the course of the lease, you will be liable to an additional charge based on a cost per additional mile.

The excess mileage charge rate depends on the specific car but on average is likely to be around 10p per mile (plus VAT) for electric cars. It is important that you consider this, when estimating

your annual mileage rate on the application/quotation form. At the end of the leasing period if the average annual mileage is less than the agreed annual mileage the you will not be eligible for a rebate.

Variations between the estimated and actual mileage should be monitored. If the total contracted mileage is different to the actual mileage undertaken, a mileage adjustment can be made to the lower value at your request or following recommendation by the Scheme Administrator. Increases to the overall contracted mileage of the vehicle will result in an increase in the cost to you. Similarly, significant reductions in overall mileage may reduce the cost of the vehicle.

Although the Scheme Administrator will endeavour to inform you of any variation it is your responsibility to inform them of any significant variations to contract mileage.

## 20. CHARGING POINTS

The Scheme Administrator will discuss with employees on an individual basis the benefits of having an electric charge point installed on their property and where possible arrange for this to be included in the cost of the salary sacrifice.

Charge points will be provided by the Scheme Administrator's preferred supplier network (currently Podpoint & Ohme) considering any promotions that are already available via the vehicle manufacturer. A typical cost of a home charge installation is approximately £1,000 excluding any additional wiring requirements.

## 21. PAYMENTS

You authorise NIE Networks to deduct the agreed amount via Salary Sacrifice. All other charges levied against NIE Networks in respect of your car will be recovered from your Net Pay, for example:

- Excess mileage costs during the agreement period and on return of the car
- Any termination penalty that is attributable to you
- Any charges resulting from excess wear and tear during the agreement period and on return of the car
- Uninsured damage charges
- Costs incurred through neglect, abuse, misuse or poor maintenance of the car
- Any Insurance policy excess charges
- Any payment for fixed penalty fines, parking fines or any other costs for motoring offences charged to the employer including administration fees

***(Please note this list is not exhaustive)***

## 22. MILEAGE REIMBURSEMENTS

You will be responsible for all electric charging costs for the vehicle.

Should you choose to use an alternative vehicle for business mileage you will continue to be reimbursed at the business mileage rate for the electric vehicle scheme.

Please refer to the NIE Networks internal communications for current business mileage rates.

## **23. USE OF VEHICLE ABROAD**

Use of the leased vehicle in the European Economic Area is permitted, subject to prior written application to Scheme Administrator. Maintenance costs and breakdown cover are not covered when the vehicle is abroad, and it is your responsibility to make special arrangements to cover this period.

You are also responsible for obtaining any necessary documentation via the Scheme Administrator where not provided by the manufacturer. All costs must be borne by you. Each country has individual laws and regulations relating to the condition of motor vehicles and the equipment that must be carried aboard or which is prohibited from being carried. You must ensure that you familiarise yourself with the relevant legal requirements and abide by them.

In line with the government guidelines you will need to obtain a green card from our motor insurers to drive overseas. To obtain a green card you will need to notify the insurers via the Scheme Administrator at least one month before travelling. A Vehicle can only be taken outside the United Kingdom and Republic of Ireland if the driver has obtained a VE103 form from the insurer of the Vehicle.

You may only take the Vehicle outside of the landmass comprising the UK and Republic of Ireland to the European Economic Area (and not to countries outside of the European Economic Area) for a maximum of 28 consecutive days in one year and with the Scheme Administrator's permission in writing which will be in the form of a letter sent to you. You can request this by telephoning the Scheme Administrator helpline.

The Scheme Administrator will arrange a VE103B or such other relevant document (this is a legal requirement), which is valid for 12 months, and chargeable to you. You will be required to pay this charge direct to the Scheme Administrator.

You must at the Scheme Administrator's request, inform the Scheme Administrator of the location of the Vehicle whilst abroad. You may also be transferred from the Scheme Administrator to the Insurer directly to inform them of the dates you are travelling to ensure the policy is valid whilst you are in Europe (Excluding ROI).

The roadside assistance included in the scheme provided to you is also valid in Europe. All roadside assistance services you require whilst you are abroad must be booked through the Scheme Administrator. If you do not arrange roadside assistance through the Scheme Administrator, you will have to pay all the reasonable costs for the roadside assistance.

All maintenance and repairs carried out whilst you are abroad must be booked through the Scheme Administrator. All services, maintenance and repairs must be carried out by a dealership franchised by the manufacturer of the Vehicle which is approved by the Scheme Administrator (unless it is impractical for you to reach one of the Scheme Administrator's approved garages). You will pay for all work whilst you are abroad and the Scheme Administrator will reimburse you on your return up to a maximum of what that work would have cost if it had been carried out by one of the Scheme Administrator's approved garages in the UK/ROI.

If you do not arrange services, maintenance and repairs through the Scheme Administrator, there may be no reimbursement. Following the UK's exit from the European Union, the provisions of this section may change and you may not be permitted to take the Vehicle into the European Economic Area and/or you may be required to pay additional costs for insurance coverage in Europe. In the case of such changes, the Scheme Administrator shall notify you.

## 24. THE END OF THE AGREEMENT

At the end of the Salary Sacrifice agreement term the car should be returned to the Leasing Company (with all keys). The condition of the vehicle will be inspected. Any unusual wear and tear will be noted, and details will be agreed with you. You will be responsible for paying any costs incurred in this situation.

Fair wear and tear will be assessed by reference to industry standards such as the BVRLA's Fair Wear and Tear Guide.

If there is no damage (over and above fair wear and tear) and the contract mileage has not been exceeded there will be no further charge. You will be free to arrange a new Salary Sacrifice prior to the termination date in order to ensure that delivery of the new car coincides with the date for returning the existing car. Alternatively, at the end of the Salary Sacrifice arrangements you will return to your original terms and conditions of employment and your higher reference pay.

Following the return of the Vehicle, you will not have to pay:

- charges for fair wear and tear; or
- charges for anything that is consistent with the Vehicle's age and mileage.

Following the return of the Vehicle, you may have to pay:

- Excess Mileage Charges (see below);
- for any damage or defects not resulting from fair wear and tear;
- the costs of rectifying any sub-standard repairs that were not completed to the standard set out by the BVRLA.
- for the replacement of any missing accessories (including keys, locking wheel nuts or service books); or
- for the removal of any accessories/equipment fitted by you or for the repair of any damage caused by the removal of any accessories/equipment fitted by you.

**Important:** If there is any circumstance which prevents the Scheme Administrator from collecting the car at the end of the Agreement term (e.g. if you wish to purchase the car, or to renew, but fail to return the necessary paperwork to the Scheme Administrator on time, or you fail to arrange with the Scheme Administrator a date for them to collect the car from you) and you continue to have possession of the car, then the term of your Agreement will be extended on a monthly basis. In these circumstances, your Salary Sacrifice Agreement will also be extended on a monthly basis, and we will continue to reduce your reference salary by the agreed gross sacrifice amount, until such time as the car has been returned or the purchase/renewal completed.

## 25. REFERENCE DOCUMENTS

Employees should also refer to the following policies:

- Maternity Leave and Pay Policy
- Shared Parental Leave and Statutory Shared Parental Pay Policy
- Paternity Leave and Pay Policy
- Adoption Leave and Pay Policy
- Parental Leave Policy
- Special Leave Entitlement
- Sickness Absence: Guidelines for Employees
- Disciplinary Procedure
- Unsatisfactory Performance at work
- Non disciplinary dismissal procedure