

Employee Policy Fleet Management

1. Scheme

NHSBT are giving all eligible staff the opportunity to lease a car for their personal use via a salary sacrifice arrangement. A salary sacrifice arrangement is an agreement between an employer and an employee. The employee gives up some of their contractual entitlement to salary in return for non-cash benefits.

As salary is sacrificed before deduction of tax, NHS Pension contributions and National Insurance contributions (NIC) you should fully consider the impact of paying less NHS Pension contributions and/or NIC before making a salary sacrifice.

Speak to NHS pensions or refer to the salary sacrifice page of people first for more information.

2. The Process

Private Use Salary Sacrifice Car Application Process

To apply for a private use Salary Sacrifice car, you must register on the [lease car administrator's website](#) and follow the instructions. You will be provided with an access and password code.

Once registered, you can request informal quotes and update them. When ready, you can submit your application on-line, which will automatically be sent through to NHSBT for approval.

It is your responsibility to ensure that you are fully aware of the **financial implications** of taking out a Salary Sacrifice car contract, i.e. impact on your pension.

You will receive automatic updates at each stage of the selection, approval and ordering process, including estimated and confirmed delivery dates.

You will be required to enter into a contract with NHSBT and on agreeing the lease car quotation you must sign an addendum to your contract of employment before the car is ordered.

Licence Checks and Driving Assessments

Prior to the start of your lease contract you will be subject to a driving licence check and annually, thereafter.

We take your safety very seriously therefore you are required to complete a Driving Risk Assessment and any subsequent training (on line or on road training) at the start of your lease contract as a mandatory business requirement and subsequently every 3 years if you drive more than 3500 business miles per annum.

Tax Liability

You will incur a 'benefit in kind' tax liability in respect of the lease car, in accordance with HMRC regulations. This is usually collected through your tax PAYE code. It is calculated based on the:

- list price value of the lease car
- level of CO2 emissions
- Electric vehicle range (if applicable)
- Salary Foregone (under OpRA)
- your contribution for private use
- The date of registration of the car

You will be provided with an estimate of the likely tax impact at the quotation stage. Before committing to signing the contract for a lease car we advise that you seek advice from HMRC as to any potential impact on your personal income tax position.

You should note that your quotation is based on the current financial year only and that your savings and car benefit tax liability will may change on an annual basis in line with HMRC legislation. For further information see [Vehicle Taxation Bands](#).

Motoring Offences

Should you incur any traffic offences, penalty points, or driving disqualification for any duration, you must notify the Lease Car Administrator.

You are responsible for any liability incurred because of criminal prosecutions travelling on business e.g. driving disqualification. The loss of your driving licence will result in the car being withdrawn and an early termination penalty charged to you.

Early Termination Charges

When terminating the contract, you must provide at least one month's notice to the lease car administrator. You may cooperate in the reallocation of the car to mitigate the costs.

Failure to provide adequate notice could result in delaying payment of your final salary.

You will be liable for early termination fees and any damage, other than fair, wear and tear deterioration, unless arrangements can be made to transfer the lease to a new employee.

Should you leave of your own accord or on the grounds of misconduct and your car cannot be reallocated, you will be required to meet any early termination penalties. Alternatively, you may negotiate for the lease to be transferred to a new employee or take up the option of purchasing the lease car by negotiating a price direct with the Lease Company.

End of Contract Charges

When your vehicle is returned the final mileage will be reviewed against your contracted mileage, considering any variations applied, and a final settlement will be issued.

Refusal of a Salary Sacrifice Car

If your application is refused you will be notified of the reasons.

3. Flowchart

4. Policy Approval and Review

Policy version
Title
Approved by SPC
Equality Impact Assessment completed
Counter Fraud check
This document replaces
Effective Release Date
Review Date
Author
Filepath
Distribution