



WILLMOTT DIXON

SINCE 1852

# Our Car Salary Sacrifice Scheme Policy

October 2024

# Contents

- 1.0** Overview
- 2.0** Purpose
- 3.0** Eligibility
- 4.0** Access to scheme
- 5.0** Vehicle selection
- 6.0** Drivers
- 7.0** How does Car Salary Sacrifice Scheme work?
- 8.0** How much will it cost?
- 9.0** What is the general effect of reducing taxable salary?
- 10.0** Long term sickness, maternity leave, redundancy, or resignation
- 11.0** Early termination penalty
- 12.0** Insurance
- 13.0** Servicing, repairs, and breakdowns
- 14.0** Modifications
- 15.0** Relief vehicles
- 16.0** Parking fines and penalties
- 17.0** Contract mileage
- 18.0** Payments
- 19.0** Mileage reimbursements
- 20.0** Use of vehicle abroad
- 21.0** The end of the agreement
- 22.0** Contact details
- 23.0** Glossary
- 24.0** Appendix

<b>Document Name</b>	<b>Document owner</b>	<b>Issue Number</b>	<b>Effective Date</b>	<b>Date Reviewed</b>
Car Scheme	Group Finance	2001-06	October 2024	October 2024

## 1.0 Overview

The Car Salary Sacrifice Scheme is a benefit designed to provide eligible employees with access to competitively priced and trouble-free motoring. Under the scheme, in return for a reduction in motoring expenditure allowance (if received) and salary, you can lease a car via the Group's current lease car suppliers (CLM Fleet Management Plc), normally for a period of three years.

There is no deposit required and the reduction in motoring expenditure allowance and salary will be fixed for the duration of the lease. The car will be insured for yourself and up to three additional named drivers (assuming they hold a full driving license).

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 savings subject to your salary not falling below national minimum/living wage levels. The provision of the car will make you liable to a company car Benefit in Kind tax charge based on the car chosen.

- **Competitive prices**

Competitive lease costs are obtained using the Group's buying power and obtaining quotes from multiple lessors to secure car leases at the most competitive price. This, combined with the savings using salary sacrifice, means that the scheme provides an attractive option to many people.

- **No deposit**

When comparing the scheme with other types of vehicle finance or personal lease, it is important to remember that no deposit will be required. Commercial schemes can show attractive monthly payments but tend to require sizeable deposits.

- **Full maintenance included**

All routine servicing and repair costs arising from normal wear and tear (excluding incidents/damage) of the vehicle are included in the charge as is UK Breakdown cover. Refer to section 13 for further details.

- **Insurance cover**

Fully comprehensive insurance cover is included within the scheme under a company fleet insurance policy. The standard insurance includes cover for the employee and up to three additional named drivers (no drivers with a provisional licence can be insured on the car). Refer to section 12 for further details.

- **Trouble-free budgeting**

The monthly salary sacrifice is fixed at the beginning of the agreement and is held for

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024



the full term of the agreement (unless you change your contracted mileage). This means that even if interest rates rise substantially or expensive maintenance is required on the car (excluding any repairs not covered by insurance, repairs outside of normal wear and tear, needed due to misuse or negligence), your revised gross salary is not affected.

• **Easy ordering**

A dedicated team is available through CLM (who will manage the scheme for us) and they will 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.

CLM driver support team - Tel: 01908 533777; Email: [WD.salsac@clm.co.uk](mailto:WD.salsac@clm.co.uk)  
Internal support team – Email: [fleet@willmottdixon.co.uk](mailto:fleet@willmottdixon.co.uk)

Instant quotes can be obtained via: <http://www.knowlesfleet.com/willmottdixon>

## 2.0 Purpose

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

The scheme will add towards the Group’s objective to reduce its carbon footprint by providing an opportunity to lease new, more efficient cars with lower CO<sub>2</sub> emissions to the cars they are currently driving.

## 3.0 Eligibility

Eligibility is subject to the following conditions:

- You are employed on a permanent contract;
- You have completed your probationary period – but you may be eligible for a reallocated car prior to this, for more details please contact [fleet@willmottdixon.co.uk](mailto:fleet@willmottdixon.co.uk)
- You have an hourly rate above the national minimum/living wage after all salary sacrifice and other deductions have been made;
- The car selected is within the affordability cap set (see section 5.0);
- Entering a salary sacrifice arrangement and committing to a reduction in salary over a three-year period;
- LCO approval (delegated by MD or Functional Head);
- The car chosen does not exceed 120g/km CO<sub>2</sub> emission (this will be reduced over time in line with the sustainability strategy);
- You have a full valid driving license for the vehicle;
- 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

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024

you that would require you to terminate the agreement prematurely.

The Group reserves the right to decline any application.

## 4.0 Access to scheme

The Group has appointed CLM as scheme managers to administer leased vehicles on its behalf. All aspects of the vehicle administration, from the initial quotation to procurement, monitoring, and accident management, will be dealt with by CLM. CLM will perform their duties based on the contents of this policy.

Instant quotes can be obtained via <http://www.knowlesfleet.com/willmottdixon>

This website is operated by Knowles Associates Total Fleet Management Limited who have been appointed by CLM to provide access to obtain online instant quotes.

Quotes are generally valid for 21 days; however, on rare occasions, the price can move both up or down due to events outside of our control (e.g. changes in supply cost, interest rates, government grants or legislation). Per the terms and conditions, the pricing may change up to the point that the car is delivered. If there is a price change CLM, will discuss with you the options available.

All information provided by the employee during the application process will be checked and verified by a representative of the Willmott Dixon fleet team, Payroll department and CLM. The vehicle will not be ordered until all these checks have been completed, which will take a couple of weeks on average. Once these checks have been completed, you will receive confirmation that the order for the vehicle selected has been placed by CLM.

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

The Group reserves the right to amend this scheme or scheme managers at any time.

## 5.0 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. Special emphasis will be placed on Health & Safety issues concerning the carriage of goods and people and the length of the journey and the type of roads regularly travelled.

There will be no limit on the cost of the car if the reduction in salary is affordable. To ensure the car is affordable, the maximum amount you can reduce your salary by each month in exchange for a car is 25% of your existing gross monthly salary and motoring expenditure allowance (the affordability cap).

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024



National minimum wage/national living wage limits and other salary sacrifice agreements in place may mean that the amount you can salary sacrifice for a car is less than the maximum affordability cap.

The maximum amount that can be exchanged each month for a car will be calculated as follows:

$$25\% \times (\text{monthly gross salary} + \text{monthly motoring expenditure allowance})$$

The Group is committed to sustainable development and to reduce the environmental impact of the fleet. Therefore, several measures have been introduced to encourage drivers to reduce their business and private travel and to select a car with low carbon dioxide emissions. Vehicles exceeding 120g/km CO<sub>2</sub> emission will not be available on the scheme. This threshold will be reduced over time in line with the sustainability strategy.

The Group insurance policy may place restrictions on certain vehicles being available to drivers.

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

It is expected that the Group will have vehicles available that have been returned from our people part way through the lease and are available to be reallocated immediately, often at a reduced sacrifice amount. A sample of these will be shared on a quarterly basis or you are able to contact CLM to obtain an up-to-date view of available vehicles.

## 6.0 Drivers

The [Driver and Vehicle Policy](#) is applicable for anyone entering the Car Salary Sacrifice Scheme and should be read in conjunction with this document.

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

The employee is required, as a condition of the company terms to complete the company motor risk management procedure through an external management system (TTC), including a licence check and e-learning modules. The employee is responsible for ensuring that any named additional drivers also complete the risk management procedure and shall have their licence checked through TTC. It is down to the employee to update the employer of any changes to additional drivers and the relevant risk management procedures through an external management system are completed.

It is the employee's responsibility to ensure that the relevant risk management procedures have been completed by anyone that drives the vehicle.

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024

Employees must inform the Group of all penalty points or other motoring offences that may affect the driver's ability to drive the vehicle. 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 will be required to undergo, at the employee's expense, a full risk assessment and any identified training:

- Under 21 years old
- 9 or more points on their license
- A driving ban within the last three years.

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

## 7.0 How does Car Salary Sacrifice Scheme work?

The Car Salary Sacrifice Scheme will work as follows:

- The Group will allow an employee the use of a car of their choice (subject to meeting eligibility criteria and being available from CLM) and the employee will agree to enter a salary sacrifice arrangement.
- A salary sacrifice is an arrangement where an employee 'sacrifices' part of their motoring expenditure allowance (if received) and salary in return for their noncash benefit (the use of a brand-new car including all servicing, routine maintenance, road tax and insurance premium). As the sacrifice reduces the motoring expenditure allowance (if received) and gross salary, the employee will pay lower income tax and national insurance.
- If an individual is entitled to Motoring Expenditure Allowance (MEA), this will be 'sacrificed' first, then the remaining amount will be a reduction applied to gross salary.
- The value of the salary sacrifice will be based on all of the cost elements for the selected vehicle.
- The employee is required to sign an amendment to their contract of employment with their agreement to sacrifice part of their gross salary/MEA 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 (standard terms of 3 years), specified in your amendment to contract. At the end of the period, the amendment to contract will end, the car will be returned, and the employee will return to their original terms and conditions of employment.
- 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.

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024



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.

- The taxable benefit charge will be collected by HMRC through changes to your tax code. It may take several months for the change to be reflected by HMRC and applied to your monthly pay slip.

Please note :HMRC will only allow an employee to opt in and opt out of the car salary sacrifice agreement where a lifestyle change “significantly alters” employees financial circumstances. The employee has the burden of proof to provide evidence to validate the claim.

## 8.0 How much will need to be sacrificed?

Competitive lease costs are obtained by using the group’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. An individual’s earnings, tax rate and expected mileage will all influence the overall financial impact to you.

Leasing companies change their prices on a regular basis to reflect their latest estimates of residual values at the end of the lease, estimated maintenance costs during the lease period and if they have offers on certain vehicles.

Government may also change rules and guidance that affect taxation and national insurance.

Instant quotes can be obtained via: <http://www.knowlesfleet.com/willmott Dixon>

Quotations in the system are based on the information provided at the time.

### 8.1 Example

The following example is illustrative only and personal quotes should always be sought when considering this option.

#### Example 2 – 40% taxpayer selects an Audi Q4 E-tron – 10,000 miles per annum

They will be required to make a salary sacrifice (from gross salary) of £959 per month but will save £403 per month in National Insurance and Income Tax when compared to receiving the higher gross salary and leasing a car out of net pay.

Benefit in Kind tax of £33 per month is payable so the overall total net monthly cost of the car is £589.

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024





P11D value	£49,525
CO2 emissions	0g/km
Fuel type	Electric
BIK rate 2022/23	2%
	£
Monthly Cost (salary sacrifice per month)	959
Reduction in National Insurance (per month)	(19)
Reduction in Tax (per month)	(384)
Total Reduction (per month)	(403)
Tax on Benefit in Kind (per month)	33
Total Overall Net Monthly costs	589

## 8.2 High mileage company car drivers

It is recognised that the lease costs and therefore, salary sacrifice will be higher for employees that complete a higher number of miles. This is due to the maintenance costs being higher throughout the lease and the residual value at the end of the lease will be lower.

The 'wear and tear' reimbursement was introduced in addition to the normal mileage reimbursement rates to contribute to drivers who complete unavoidably high business mileage. It applies only to those who are in receipt of a motoring expenditure allowance and using their own vehicle or those who use a vehicle under the Salary Sacrifice scheme.

From 1<sup>st</sup> April 2024, where applied, the payment will be 15p per mile for all business miles completed after the first 12,000 business miles per tax year. E.g. If 20,000 business miles are completed, a payment of £1,200 ((20,000 miles – 12,000 miles) x 15 pence) will be made. This is in addition to the normal mileage reimbursement rate. In accordance with HMRC rules, where drivers in receipt of this additional payment are driving a company car under the car salary sacrifices scheme, this payment will be subject to tax and national insurance.

The level of payment is intended to contribute to the additional costs associated with owning and maintaining (not fuel costs) a vehicle when completing high mileage. The amount has been set with reference to the average increase to salary sacrifice payments through the Knowles system when vehicles are requested with higher mileage.

This amount is paid via TMC and is not shown in the Knowles system.

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024

**Example – 40% taxpayer selects an Audi Q4 E-tron – 10,000 business miles per annum versus 20,000 business miles**

The table compares the cost of a lease of 12,000 business miles versus a lease with 20,000 business miles. This shows that the net salary sacrifice is £613 per month for 12,000 business miles versus £668 per month for 20,000 business miles.

Wear and tear payments of £1,200 (8,000 miles x 15p) will be received before tax or £696 after tax. If spread evenly over the year the equates to £58 per month on average. Therefore, the average net monthly cost after wear and tear are similar for 12,000 business miles and 20,000 business miles.

CO2 emissions	0g/km	
Fuel type	Electric	
BIK rate 2022/23	2%	
Business miles	12,000	20,000
	£	£
Monthly Cost (salary sacrifice per month)	1,000	1,094
Reduction in National Insurance (per month)	(20)	(22)
Reduction in Tax (per month)	(400)	(438)
Total Reduction (per month)	(420)	(460)
Tax on Benefit in Kind (per month)	33	33
Total Net Monthly salary sacrifice cost	613	668
Wear and tear after tax (8,000 x 15p x 58% / 12)	-	(58)
Average net Monthly cost after wear and tear	613	610

**9.0 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 salary terms might be better off each month. However, several 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 sacrifices means that your revised gross 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 gross salary may affect other occupational and state benefits such as Statutory Maternity Pay, and SSP. Agreeing a revised gross salary might also affect more general financial matters such as mortgage applications, however the majority of high street lenders take into account the arrangements

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024



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 gross salary) such as life assurance, income protection, incentives/profit share and redundancy entitlements will continue to be calculated based on the higher salary rate (i.e. the rate before the salary sacrifice is applied, often known as 'notional salary').

Any annual salary increments will be stated in terms of the higher notional salary. It is important to note that percentage salary increases will be made by reference to the higher notional rate of salary.

## **9.1 Pension**

If you are in the Willmott Dixon pension scheme, pension is calculated from gross salary before salary sacrifice deductions. Therefore, the value of salary sacrifice does not impact pension contributions.

Salary sacrifice deductions may reduce your final pension payment calculation for other pension schemes (Auto-enrolment, LGPS etc.). This is because your gross salary is being reduced and the amount you contribute and is used to calculate the value of your pension may be lower.

## **9.2 National minimum/living wage**

The salary sacrifice cannot reduce an employee's revised taxable 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).

The Group 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. This will result in you returning to your higher notional salary and original terms and conditions of employment. You may be required to return the vehicle. You will be contacted by payroll if you fall below the national minimum/living wage to discuss what happens next.

## **9.3 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 consider 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.

<b>Document Name</b>	<b>Document owner</b>	<b>Issue Number</b>	<b>Effective Date</b>	<b>Date Reviewed</b>
Car Scheme	Group Finance	2001-06	October 2024	October 2024



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 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.***

## 10.0 Long term sickness and parental leave

The Group recognises that people who are unable to work because of illness or incapacity, or who go on family leave during the period of the salary sacrifices, may have concerns about possession of a leased car.

### 10.1 Maternity pay

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

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, Company Maternity Pay (“CMP”), is calculated using the notional salary (before any sacrifices) in place at the start of the maternity leave period. During your period of half and full CMP, 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 CMP any “salary sacrifice” arrangements entered during this eight-week period may reduce your entitlement to SMP and therefore gross pay received. Please refer to the Maternity Pay Policy for full details of the CMP scheme.

Whilst in receipt of CMP the salary sacrifice amount will continue to be deducted as normal but only from this ‘top up’ element of pay. When CMP has expired, or does not cover the full salary sacrifice deduction, Willmott Dixon will fund these amounts. This is because SMP is protected, and we cannot take deductions from it.

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024



Please ensure you read the Family Leave policies carefully, if relevant, before entering a salary sacrifice arrangement with the Car Salary Sacrifice Scheme, and after considering 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.

## 10.2 Sickness

Whilst in receipt of full sick pay, the salary sacrifice amount will continue to be deducted as normal from CSP (Company Sick Pay). Deductions will also continue to be made from any Income Protection Payments.

As with family leave, Statutory Sick Pay (SSP) is protected, and we cannot make salary sacrifice deductions from it so any amounts will be taken from the 'top up' between CSP or Income Protection and SSP.

Should sickness entitlement expire with no Income Protection payable, deductions will revert to a 'net' deduction as they cannot be taken from SSP as a salary sacrifice amount.

There is no obligation for Willmott Dixon to meet the salary sacrifice deductions during unpaid sickness so any such cases will be dealt with sensitively and individually using MD discretion.

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

## 11.0 Early termination penalty

It is expected that the salary sacrifice arrangement will last for the entire agreed period (standard terms of 3 years), specified in your amendment to contract.

If you leave the company, then your Company Car is normally returned to Willmott Dixon without an Early Termination charge. However, the Group reserves the right to charge a termination penalty where deemed necessary or appropriate. For example, if it is believed that the salary sacrifice arrangement was not taken out in good faith (for example, it is entered into just before resigning, going onto parental leave or sabbatical leave).

In exceptional circumstances, if an employee requests to hand a car back early, this can only be considered if the request meets the HMRC guidelines. To opt out of a salary sacrifice arrangement, there must be a lifestyle change that significantly alters the employee's financial circumstances.

If the HMRC rules are met, you have the following options:

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024

- Return the car immediately and pay any Early Termination charges that are due.
- We could look to reallocate the car to someone else. This would only be allowed once we find a driver to take the car on. A charge of £500 would be applicable to cover the costs of picking the car up, cleaning it, moving it to the new driver etc.
- You could swap the car with a car that is in the reallocation pool. A charge of £500 would be applicable to cover the costs of picking the car up, cleaning it, moving it to the new driver etc.

In addition to the costs above, any excess mileage charges based on a pro rata basis, and charges for damage above normal wear and tear would also be applicable.

Early termination charges are calculated based on the number of months remaining in the lease. Your monthly gross salary sacrifice amount will be multiplied by the appropriate number in the table below to calculate the early termination charge. The amount is deductible from the employee's net pay so will not benefit from tax savings.

<i>Months remaining</i>	<i># Gross sacrifice amount</i>	
1	1	<i>NO Early Termination Charge for resignation, redundancy, retirement.</i>
2-6	2	
7-12	3	
13-18	5	
19-24	7	
25-30	8	
>30	10	

## 120 Insurance

The car will have fully comprehensive insurance for social, domestic, pleasure commuting and for business purposes of the Group and is underwritten by Aviva. The policy number and details can be found on the Company Secretarial page on the Hub.

Up to three additional named drivers can be included on the insurance policy. No additional named drivers holding provisional licences can be insured on the car. Should an employee allow anyone to drive the car without being added to the insurance policy, the employee will be responsible for any losses the Company sustains. The Insurance Terms and Conditions are subject to change on an annual basis when the policy is renewed; such changes are outside the control of the Group.

In the event of any incident resulting in a claim against insurance, the employee will be liable for any insurance policy excess (see 12.1). If the circumstances of the claim allow the insurer to successfully achieve an Uninsured Loss Recovery (ULR) on behalf of the driver, the employee 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

<b>Document Name</b>	<b>Document owner</b>	<b>Issue Number</b>	<b>Effective Date</b>	<b>Date Reviewed</b>
Car Scheme	Group Finance	2001-06	October 2024	October 2024

the claim.

Any costs incurred by misuse including the incorrect use of fuel appropriate to the vehicle, will be charged in full to the employee. Such costs are not covered by the insurance policy and drivers should take care to ensure that the correct fuel is always used.

Under the terms of the Group's insurance policy, there are certain restrictions (as detailed in the Driver and Vehicle Policy) which relate to drivers who have received serious driving convictions. These restrictions apply to anyone entering the Car 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,
- has been fined a sum more than £100 in respect of any one offence in connection with any motor vehicle.

In these circumstances the employee must not under any circumstance, drive the vehicle under the Car Salary Sacrifice Scheme or allow anyone else to drive without discussing with Company Secretary.

In addition to the above restrictions, no one under the age of 25 is permitted to drive Tesla's or any High-Performance vehicle under the Group insurance policy.

If you lose your driving licence for any reason you must inform CLM and Company Secretary Department in writing immediately.

## 12.1 Insurance excess

From 1 January 2024, our standard excess rate is £350 (for employees and named drivers); however, an additional excess of £150 is payable if you decide not to have a dashcam fitted or supply the dashcam footage following an insurance claim.

The excess on tyres and windscreens is £nil, when due to accidental damage. Further detail is provided in section 13.

The excess rates are subject to change each year.

## 13.0 Servicing, repairs, and breakdowns

The scheme incorporates full maintenance which includes the cost of all servicing in accordance with the manufacturer's recommendations, mechanical or electrical repairs, routine replacement of tyres, batteries, exhaust arising from normal wear and tear usage in line with the agreement.

You must ensure that weekly checks such as tyre pressures, oil and coolant levels, brake

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024



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 lease company (notified to you in your Drivers Handbook) or CLM to ensure maintenance and servicing is properly and swiftly carried out.

For repairs, contact CLM for advice. Damage caused by misuse, negligence or excessive wear and tear will be charged to the employee.

The scheme includes tyre and windscreen cover as part of fair wear and tear or accidental damage. We operate a no-quibble policy, whereby we will cover tyres and windscreens for all repairs and replacements due to wear and tear and accidental damage. This does not include damage because of deliberate misuse, theft, or vandalism. We reserve the right in certain cases i.e. persistent claims, to pass the financial responsibility of the repair/replacement to the employee.

All cars will have UK breakdown cover.

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

- Non – mechanical breakdowns that could have been avoided by the driver
- Contaminated fuel
- Running out of fuel
- Lockouts
- Wheel change – when the spare is not available
- Second call out for a battery that has been previously condemned by a patrol

***(This list is not exhaustive)***

Please note that smoking is not allowed at any time in a company vehicle.

## 14.0 Modifications

Tow bars may be fitted to company cars, subject to written consent from CLM and the lessor and 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 removal must be met by the employee.

The fitting of personal number plates is not permitted.

## 15.0 Relief or courtesy vehicles

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024





The employee does 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.

When a driver is expected to be without a car for the foreseeable future (e.g. at least 72 hours), best endeavours will be made to organise a courtesy car. Any relief or courtesy vehicle is unlikely to be the same specification as the lease car and is normally a small/mid-size car (e.g., Audi A3, VW Polo, Kia E-Niro etc.).

The driver will continue to pay the existing salary sacrifice amount. The relief or courtesy car should be returned once their original car under the car scheme is returned following repair or is written off (and they therefore come out of the company car scheme).

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 the employee to make necessary alternative arrangements for a replacement vehicle at their own cost. The scheme manager may be able to assist with this, for example provide list and details of car reallocations.

## 16.0 Parking fines and penalties

The driver remains responsible for any fixed penalty fines, parking 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 leasing company or scheme manager will be met by the employee in all cases and deducted from net salary.

Necessary charges incurred for parking, road tolls and congestion charges whilst on business will be met by the Group. These expenses must be claimed through the expenses system and authorised by the relevant approver in the normal way. If these are charged to the Group by the leasing company or scheme manager, they will be deducted from net salary along with any administration charge. The cost of parking, road tolls and congestion charge can then be claimed via expenses in the normal way.

## 17.0 Contract mileage

The employee will decide the appropriate total annual mileage to be undertaken for the duration of the lease period. This should be based on private mileage, commute mileage and an estimated amount of business mileage expected based on the role you are in (e.g. looking at what you would normally expect to do and not just your current location).

The LCO approver will review this business mileage to ensure that the amount entered is reasonable for what is expected from the individual's job role. If this is not reasonable, the vehicle will not be approved.

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

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024

The excess mileage charge rate depends on fuel type of car and the rates are shown in the table below:

<i>Type</i>	<i>Charge</i>
<i>Electric</i>	<i>25p + VAT</i>
<i>Plug in Hybrid</i>	<i>21p + VAT</i>
<i>Petrol/Diesel</i>	<i>15p + VAT</i>

It is important that employees consider this, when estimating their annual mileage rate on the application/quotation form. Any excess mileage charge is deducted from net salary so does not attract the tax and national insurance savings that are seen if the mileage is included in the original quote. At the end of the leasing period if the average annual mileage is less than the agreed annual mileage the employee 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 lessor at the request of the driver or following recommendation by the CLM. Increases to the overall contracted mileage of the vehicle will result in an increase in the cost to the employee. Similarly significant reductions in overall mileage may reduce the cost of the vehicle. These changes will adjust the amount sacrificed so will result in a change to the tax and national insurance savings.

Although CLM will endeavour to inform the driver of any variation it is the driver's responsibility to inform CLM of any significant variations to contract mileage.

Where an excess mileage charge is incurred under the new Salary Sacrifice scheme as a result of increased business mileage over and above what would be expected in your role (e.g. due to a change of site location during the lease), the business will cover the cost of the charge, net of any wear and tear reimbursement amounts paid in relation to these miles, subject to MD approval. Your MD will refer to your original mileage planning submitted for review so it's important that this mileage submission is as robust an estimate as possible.

## 18.0 Payments

The employee authorises the employer to deduct the agreed amount via salary sacrifice. All other charges levied against the Group in respect of the employee's car will be recovered from your net salary, for example:

- Excess mileage costs during the agreement period and on return of the car.
- Any termination penalty that is attributable to the employee.
- 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

<b>Document Name</b>	<b>Document owner</b>	<b>Issue Number</b>	<b>Effective Date</b>	<b>Date Reviewed</b>
Car Scheme	Group Finance	2001-06	October 2024	October 2024



offences charged to the employer including administration fees.

- Any increase due to government policy changes or legislation (e.g., tax legislation changes – Road Fund License, VAT etc.)

***(This list is not exhaustive)***

## 19.0 Mileage reimbursements

Employees will be required to purchase all the fuel for business and/or private use.

All mileage reimbursements should be made through the TMC on-line mileage capture system.

### 19.1 Fuel scale charge

Travel from home to your permanent workplace (including excess mileage as a result in change of base) is defined under HMRC rules as private use of the car and the car fuel benefit would apply. This in effect means that anyone claiming home to work mileage for any reason would be subject to additional tax charges arising from the fuel benefit charge. The fuel benefit charge does not apply to fully electric vehicles.

This charge is a fixed amount depending on the car driven and does not link to the number of miles driven. Therefore, before claiming travel to a permanent workplace this needs to be taken in to account.

## 20.0 Use of the vehicle abroad

Use of the lease vehicle abroad is permitted, subject to prior written application to CLM and your line Manager / Director. Maintenance costs are not covered when the vehicle is abroad, and it is the employee’s responsibility to make special arrangements to cover this period.

The employee is also responsible for obtaining any necessary documentation via CLM where not provided by the manufacturer. Approval will not be given unless the employee has taken out satisfactory recovery insurance, such as AA5\* or European breakdown cover. The employee must bear all costs. 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 VE103B certificate to drive overseas. To obtain this please email: [fleet.operations@clm.co.uk](mailto:fleet.operations@clm.co.uk) for further guidance. Please note the process can take time so it is recommended this is done at least 4 weeks in advance.

## 21.0 The End of the agreement

At the end of the salary sacrifice agreement term or on returning the car for another reason, the car should be returned to the leasing company or CLM (with all keys). The condition of

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024



the vehicle will be inspected. Any unusual wear and tear will be noted, and details will be agreed with the employee. The employee will be responsible for paying any costs incurred in this situation.

As noted above, this will be deducted from net salary if possible. If net salary does not cover the charge or the employee has left the business a bank payment will be required to settle the amount owed.

Fair wear & 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 hasn't been exceeded there will be no further charge. Employees will be free to arrange a new salary sacrifice prior to the termination date to ensure that delivery of the new car coincides with the date for returning the existing car. CLM will assist with this to process. At the end of the salary sacrifice arrangements you will return to your original terms and conditions of employment and your higher notional pay.

At the end of the contract hire period, or on early termination of the contract, the employee will be given the opportunity to purchase the vehicle at a rate agreed with the leasing company. Please note the driver is not able to transfer the lease to new company

<b>Document Name</b>	<b>Document owner</b>	<b>Issue Number</b>	<b>Effective Date</b>	<b>Date Reviewed</b>
Car Scheme	Group Finance	2001-06	October 2024	October 2024

## 220 Contact details

There is a dedicated group email managed by the company for all car queries:

[fleet@willmottdixon.co.uk](mailto:fleet@willmottdixon.co.uk)

### Driver Support



To report a **breakdown** or to make a **maintenance** booking, please call the number below, selecting the relevant option.

 **01908 533777**

2

Breakdown

3

Maintenance



### Driver Support



In the event of an **accident**, please report the incident the same day by calling:

 **01908 533777**

Option

1



Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024

## 23.0 Glossary

- Gross salary - Your pay before any deductions such as Tax, National Insurance, and pension contributions.
- Group – refers to all companies in the Willmott Dixon Group including but not limited to Willmott Dixon Holdings Limited, Willmott Dixon Construction Limited, Willmott Dixon Interiors Limited, Fortem Solutions Limited, Be Living Holdings Limited.
- 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.
- Leasing company – The Company that owns your lease vehicle.
- Net salary - Your pay after any deductions such as Tax, National Insurance and pension contributions.
- Notional salary – Gross Salary before the salary sacrifice is applied.
- Revised gross salary - Your pay before any deductions such as Tax, National Insurance and pension contributions but after deducting the car salary sacrifice amount.
- Salary sacrifice – A payment method taken from your gross salary before deductions for Tax and National Insurance have been calculated.
- 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.

Document Name	Document owner	Issue Number	Effective Date	Date Reviewed
Car Scheme	Group Finance	2001-06	October 2024	October 2024