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# NHS WALES CAR LEASE SALARY BENEFIT SCHEME



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## Car Lease Scheme

A new salary sacrifice scheme is being launched by NHS Wales Shared Services Partnership (NWSSP). The scheme is a car lease scheme and is designed to allow employees to access a car of their choice at a very attractive price.

The car lease scheme helps us to support staff in their role of providing a high standard of patient care by enabling them to access the benefits of working in a large NHS organisation. This is just one of a number of staff benefits that NHS Wales Shared Services Partnership has on offer.

Employees joining the scheme will also have the satisfaction of knowing that they are getting a cost effective 'hassle free' car.

If you are interested in joining the scheme please attend one of the events being organised accross NWSSP or contact NHS Fleet Solutions on 0844 811 8228 for further information. Can I also remind you to ensure that you read all documentation regarding the scheme carefully before you commit as there may be instances where the scheme does not benefit some staff.

I hope that you will find the scheme a great benefit.

Neil Frow  
Director NHS Wales Shared Services Partnership

# The Car Lease Scheme

## Introduction

NHS Wales Shared Service Partnership (NWSSP) has launched a new staff benefit in the form of a Car Lease Salary Sacrifice Scheme in association with NHS Fleet Solutions.

The scheme is designed to provide all permanent NWSSP staff with the option of having access to a new car of their choice at a very competitive price whilst at the same time providing savings for the organisation that will support the services provided to patients.

## Overview

The new initiative Car Lease Scheme is designed to provide you and your family with competitively priced and trouble free motoring.

There is no deposit and costs are fixed for all elements of the lease which will be for 3 years. The car will be insured for yourself and up to four named drivers (assuming they are legally entitled to drive).

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 and having covered no more than the agreed contracted mileage.

Employees will make savings by the use of salary sacrifice, subject to their salary not being “sacrificed” to a level below the national minimum wage. (The provision of a lease car will make the employee liable to a car benefit tax charge based on the vehicle chosen.)



## **a. Competitive Prices**

A competitive price has been obtained by using NWSSP's, and indeed the NHS's, buying power to secure car leases at the most competitive price. This combined with the potential for further savings through the use of salary sacrifice, means that the scheme provides an attractive option to most employees.

## **b. No deposit**

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

## **c. Full maintenance included**

All routine servicing and repair costs arising from normal usage of the vehicle are included in the charge. This includes normal wear of exhausts, replacement batteries, even puncture repair and the replacement of tyres as a result of fair wear and tear. Breakdown cover is also included.

## **d. Insurance cover**

Fully comprehensive insurance cover is included within the monthly charge. In the event that the car will be used for business purposes other than that relating to your employer, NWSSP will require full details and will require alternative insurance arrangements to be made.

The standard insurance includes cover for the employee (from 17+ years) and up to 4 additional named drivers (no named drivers under the age of 21 can be insured on the vehicle at this stage, however separate insurance arrangements for under 21's are being developed).

## **e. Trouble-free budgeting**

The monthly salary sacrifice (or monthly payment from net salary) is fixed at the beginning of the agreement and is held for the full term of the agreement. 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), the monthly charge is not affected.

## **f. Driving aids for disabled drivers**

Certain disability driving accessories and adaptations can be made to the vehicle. These need to be requested at the point of quotation and the cost of these aids/adaptations will be the responsibility of the employee.



## **g. Easy ordering and high service levels.**

A dedicated lease car team is commissioned by NHS Wales Shared Service Partnership 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.

Instant quotes can be obtained via our website [www.nhsfleetsolutions.co.uk](http://www.nhsfleetsolutions.co.uk). Alternatively, the lease car team are available for help Monday - Friday during day time office hours on 08448 118 228.

## **Eligibility**

Eligibility is subject to the following conditions:

- A permanent employee of NHS Wales Shared Services Partnership (employees on a contract that would more than cover the 3 year lease term will be reviewed on an individual basis).
- Payment to be via Salary Sacrifice or agreed deduction from Net Salary
- Confirmation of employment status
- One lease car per employee (however separate arrangements are being developed)
- The car chosen does not exceed 140g/km CO<sup>2</sup> emission
- No named drivers under the age of 21 can be insured on the vehicle

NHS Wales Shared Service Partnership reserve the right to decline any application.

## **Drivers**

It is possible to have up to four named drivers insured for the car (licence evidence required). No named drivers under the age of 21 can be insured on the vehicle at this stage).

# How do the arrangements work?

The arrangement is as follows:

- (a) A salary sacrifice arrangement is, simply put, an arrangement whereby an employee agrees to 'swap' an element of gross salary in return for NWSSP providing an employee the use of a brand new company car. Under these arrangements the costs of providing the company car (including all servicing, repairs, road fund licence, and insurance costs) will be paid for by NWSSP. The agreement will last for the period of the car lease (usually 3 years).
- (b) NWSSP will not charge an employee for the use of the car of your choice, but instead employees will agree to enter into a salary sacrifice arrangement. In turn the employee will be liable for the company car income tax charge that arises out of the arrangement on the provision of a company car.
- (c) This arrangement will only be available to employees who have a permanent contract of employment with NWSSP (as set out in eligibility section).
- (d) The arrangement is entirely at the discretion of NWSSP who may withdraw the facility at any time.
- (e) An employee can choose to participate in the arrangements, and in no way are the arrangements compulsory.



# Illustrative examples of potential costs.

The following examples are illustrative only and will be influenced by personal circumstances and personal quotations should always be sought when considering this option.

## EXAMPLE 1

### An employee selects a Peugeot 107 1.0 Access 3dr – 6,000 miles per annum.

Their current salary is £16,000 and they are a member of the NHS pension scheme. They will be required to make an annual salary sacrifice (from gross pay) of £2,778.84 (£231.57 per month) but will save £80.68 per month in NIC and Pension Contributions and Income tax when compared with the position where the cost of the company car is funded from net pay. This means the actual monthly cost is around £150.89 (this is the estimated reduction in take home pay). Combine this amount with the additional company car tax liability of £14.97 per month and the overall total net monthly cost of the car is £165.86.

The example below illustrates that were the employee to fund the cost of the car from net pay, the monthly costs would be £311.57.

This example includes the lease cost of the car, road tax, fully comprehensive insurance, breakdown cover and all normal servicing and maintenance costs.

### WITH SALARY SACRIFICE

Annual Cost (salary sacrifice per annum)	£	2,778.84
Monthly Cost (salary sacrifice per month)	£	231.57
Reduction in NIC (per month)	(£	24.55)
Reduction in Tax (per month)	(£	43.86)
Reduction in Superannuation (per month)	(£	12.27)
Total Reduction (per month)	(£	80.68)
Reduction in net salary (per month)	£	150.89
Tax on benefit in kind (per month)	£	14.97
Total Overall Net Monthly costs	<b>£</b>	<b>165.86</b>

### WITHOUT SALARY SACRIFICE (ie UNDER SALARY DEDUCTION)

The equivalent cost for the same company car by net salary deduction would be **£311.57**

The employee therefore saves around £146 per month through salary sacrifice (ie £312 - £166)

## EXAMPLE 2

### An employee selects a Peugeot 208 1.0 Access + 3dr – 8,000 miles per annum.

Their current salary is £18,000 and they are a member of the NHS pension scheme. They will be required to make an annual salary sacrifice (from gross pay) of £3,166.20 (£263.85 per month) but will save £91.93 per month in NIC and Pension Contributions and Income tax when compared with the position where the cost of the company car is funded from net pay. This means the actual monthly cost is around £171.92 (this is the estimated reduction in take home pay). Combine this amount with the additional company car tax liability of £20.52 per month and the overall total net monthly cost of the car is £192.44.

The example below illustrates that were the employee to fund the cost of the car from net pay, the monthly costs would be £351.29.

This example includes the lease cost of the car, road tax, fully comprehensive insurance, breakdown cover and all normal servicing and maintenance costs.

#### WITH SALARY SACRIFICE

Annual Costs (salary sacrifice per annum)	£	3,166.20
Monthly Cost (salary sacrifice per month)	£	263.85
Reduction in NIC (per month)	(£	27.97)
Reduction in Tax (per month)	(£	49.97)
Reduction in Superannuation (per month)	(£	13.99)
Total Reduction (per month)	(£	91.93)
Reduction in net salary (per month)	£	171.92
Tax on benefit in kind (per month)	£	20.52
Total Overall Net Monthly costs	<b>£</b>	<b>192.44</b>

#### WITHOUT SALARY SACRIFICE (ie UNDER SALARY DEDUCTION)

The equivalent cost for the same company car by net salary deduction would be **£351.29**

The employee therefore saves around £159 per month through salary sacrifice. (ie £351 - £192)

### EXAMPLE 3

#### An employee selects a VW Golf 1.6 TDI 105 SE 5dr – 10,000 miles per annum.

Their current salary is £27,000 and they are a member of the NHS pension scheme. They will be required to make an annual salary sacrifice (from gross pay) of £4,189.32 (£349.11 per month) but will save £131.97 per month in NIC and Pension Contributions and Income tax when compared with the position where the cost of the company car is funded from net pay. This means the actual monthly cost is around £217.14 (this is the estimated reduction in take home pay). Combine this amount with the additional company car tax liability of £48.85 per month and the overall total net monthly cost of the car is £266.00.

The example below illustrates that were the employee to fund the cost of the car from net pay, the monthly costs would be £445.85.

This example includes the lease cost of the car, road tax, fully comprehensive insurance, breakdown cover and all normal servicing and maintenance costs.

#### **WITH SALARY SACRIFICE**

Annual Cost (salary sacrifice per annum)	£	4,189.32
Monthly Cost (salary sacrifice per month)	£	349.11
Reduction in NIC (per month)	(£	37.01)
Reduction in Tax (per month)	(£	63.54)
Reduction in Superannuation (per month)	(£	31.42)
Total Reduction (per month)	(£	131.97)
Reduction in net salary (per month)	£	217.14
Tax on benefit in kind (per month)	£	48.85
Total Overall Net Monthly costs	<b>£</b>	<b>266.00</b>

#### WITHOUT SALARY SACRIFICE (ie UNDER SALARY DEDUCTION)

The equivalent cost for the same company car by net salary deduction would be **£445.85**

The employee therefore saves around £180 per month through salary sacrifice (ie £446 - £266)

## EXAMPLE 4

### An employee selects a Mini Cooper 1.5 D 3dr – 12,000 miles per annum.

Their current salary is £45,000 and they are a member of the NHS pension scheme. They will be required to make an annual salary sacrifice (from gross pay) of £3,835.68 (£319.64 per month) but will save £101.88 per month in NIC and Pension Contributions and Income tax when compared with the position where the cost of the company car is funded from net pay. This means the actual monthly cost is around £217.76 (this is the estimated reduction in take home pay). Combine this amount with the additional company car tax liability of £35.52 per month and the overall total net monthly cost of the car is £253.28.

The example below illustrates that were the employee to fund the cost of the car from net pay, the monthly costs would be £427.70.

This example includes the lease cost of the car, road tax, fully comprehensive insurance, breakdown cover and all normal servicing and maintenance costs.

#### WITH SALARY SACRIFICE

Annual Cost (salary sacrifice per annum)	£	3,835.68
Monthly Cost (salary sacrifice per month)	£	319.64
Reduction in NIC (per month)	(£	8.77)
Reduction in Tax (per month)	(£	64.34)
Reduction in Superannuation (per month)	(£	28.77)
Total Reduction (per month)	(£	101.88)
Reduction in net salary (per month)	£	217.76
Tax on benefit in kind (per month)	£	35.52
Total Overall Net Monthly costs	£	<b>253.28</b>

#### WITHOUT SALARY SACRIFICE (ie UNDER SALARY DEDUCTION)

The equivalent cost for the same company car by net salary deduction would be **£427.70**

The employee therefore saves around £175 per month through salary sacrifice (ie £428 - £253)

## EXAMPLE 5

### An employee selects a VW Passat 1.6 TDI Bluemotion Tech Executive 4dr – 14,000 miles per annum.

Their current salary is £65,000 and they are a member of the NHS pension scheme. They will be required to make an annual salary sacrifice (from gross pay) of £5,181.84 (£431.82 per month) but will save £210.65 per month in NIC and Pension Contributions and Income tax when compared with the position where the cost of the company car is funded from net pay. This means the actual monthly cost is around £221.17 (this is the estimated reduction in take home pay). Combine this amount with the additional company car tax liability of £127.44 per month and the overall total net monthly cost of the car is £348.62.

The example below illustrates that were the employee to fund the cost of the car from net pay, the monthly costs would be £563.14.

This example includes the lease cost of the car, road tax, fully comprehensive insurance, breakdown cover and all normal servicing and maintenance costs.

#### WITH SALARY SACRIFICE

Annual Cost (salary sacrifice per annum)	£	5,181.84
Monthly Cost (salary sacrifice per month)	£	431.82
Reduction in NIC (per month)	(£	8.64)
Reduction in Tax (per month)	(£	153.21)
Reduction in Superannuation (per month)	(£	48.80)
Total Reduction (per month)	(£	210.65)
Reduction in net salary (per month)	£	221.17
Tax on benefit in kind (per month)	£	127.44
Total Overall Net Monthly costs	£	<b>348.62</b>

#### WITHOUT SALARY SACRIFICE (ie UNDER SALARY DEDUCTION)

The equivalent cost for the same company car by net salary deduction would be **£563.14**

The employee therefore saves around £310 per month through salary sacrifice (ie £563 - £253)

# Notes to examples

All estimates are based on information supplied by you at the given time, and are subject to change if the leasing companies change their pricing or if there are changes to Taxation, National Insurance or Pension rates.

It should be noted that these examples do not take into account the impact on Working Tax Credit (WTC) or the Child Tax Credits (CTC) which may mean that it may not be appropriate for some employees to participate in the arrangements outlined in this document as the loss of tax credits may be greater than the tax/NI contributions savings. (Also see "What if I am claiming Tax Credits?" on page 14.

## **How much can I save?**

The exact savings will depend on individual circumstances and the car that is selected. The company car benefit in kind charge which is then subject to income tax is calculated on the manufacturer's list price of the company car and a % charge determined by the exhaust emissions of each specific car. The relevant % charges based on CO2 emissions as prescribed by HM Revenue & Customs can be found at [www.vcacarfueldata.org.uk](http://www.vcacarfueldata.org.uk)

## **How long does the arrangement last?**

Employees will be able to revert back to the higher salary at the end of the leasing period (i.e. three years). Whilst it is envisaged that for the majority of employees the arrangements will run its normal course through the life of the lease, an employee will be automatically opted out of these arrangements where these arrangements mean that their rate of pay falls below the National Minimum Wage. This action ensures that an employee's right to a legal rate of pay is maintained. NWSSP will review the individual circumstances to determine whether a termination charge is levied.

## **What is the general effect of reducing taxable salary?**

Employees accepting this proposal should pay a reduced amount of tax and NIC and therefore in net salary terms should be better off each month. However, a number of state benefits are dependant 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 new revised rate of gross annual earnings fall below the starting level for paying NIC. For further information on the current starting level for NIC please contact the Payroll department.

Employees should be aware that a reduction in taxable salary may affect other company and state benefits such as Statutory Maternity Pay, sick pay, and their level of entitlement in the event of death. A reduction in taxable 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 booklet 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 basic salary) such as shift allowances, overtime payments, and redundancy entitlements would continue to be calculated based on the higher salary rate (i.e. the rate before the salary sacrifice is applied, often known as “notional pay”).

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

For the avoidance of doubt (as indicated above), an employee will not be permitted to reduce their taxable salary to a rate below the prescribed National Minimum Wage rate (i.e. so that their new rate of taxable pay would equate to less than the hourly legal minimum rate). Employees who already participate in a Salary Sacrifice Scheme may not be eligible.

### **What about my pension arrangements?**

The fact that your contractual pay is being reduced means that your level of pension contribution will be reduced thus resulting in an increase in your take home pay (ie they will be based on the revised new lower rate of gross pay). With regard to the NHS Pension scheme, there will be no impact unless the salary sacrifice runs into the period used to calculate your pension entitlement. For the majority of NHS staff it is income earned in the last year of service that determines ongoing pension payments after retirement. If this is the case any salary sacrifice in the last year of service will have the effect of lowering income and will have an adverse effect on the ongoing pension entitlement.

Ongoing pension entitlement is determined by the income received in either:

- One of the last three years (usually the last year) prior to retirement or
- An average of the best 3 consecutive years in the last ten years (usually the last 3 years) prior to retirement.

Anyone who has joined the NHS Pension Scheme prior to the 1<sup>st</sup> April 2008 will be in the former, anyone joining on the 1<sup>st</sup> April 2008 or after will be the latter.

In such circumstances a salary sacrifice that is in place during the period that is used to determine ongoing pension entitlement, will again have an impact on the pension received.

Where an employee leaves the NHS pension scheme and freezes their pension entitlement, the value of the frozen pension may be affected if an employee participates in the salary sacrifice arrangement immediately prior to leaving the pension scheme.

A salary sacrifice may impact on the ongoing pension entitlement where a staff member becomes seriously ill and is required to take medical retirement or dies in service. In such circumstances, the pension entitlement is determined by the income level in the preceding 12 months and therefore may be impacted if a salary sacrifice is in place.

The Government has announced that new pension arrangements are to be introduced into all public sector pension schemes including the NHS Pension Scheme from 31 March 2015. Much of the detail is still being worked out but the NHS Pension Scheme will change from a defined salary scheme to a Career Average Revalued Earnings ("CARE") scheme. While some members of the NHS Pension Scheme will be permitted to remain in their current section of the NHS Pension Scheme beyond 31 March 2015, most members will automatically move to the new CARE scheme from 1 April 2015 for future service only. This means that pension benefits already built up in the 1995 and 2008 sections of the NHS Pension Scheme will be retained and calculated by reference to final pay at retirement.

As mentioned above, the pension you receive under the existing final salary NHS Pension Scheme is for all of your years of membership but it is based on your pensionable pay at or close to retirement. Under the new CARE NHS Pension Scheme, your pension will be based on your pensionable pay right across your NHS career.

The pension you earn each year is based on pensionable pay in that year and is increased by a set revaluation rate, linked to inflation, for each year up to retirement or leaving. The final pension is then calculated by adding together the pension earned in each year of NHS Pension Scheme membership so it will not be limited to the period immediately before you retire or leave as is the case under the existing final salary NHS Pension Scheme.

This new basis of calculation for final pension entitlement means that any salary sacrifice that exists during membership of the new CARE NHS Pension Scheme will have the effect of lowering your pensionable earnings each year and, therefore, affecting your final pension entitlement. It is therefore recommended that you obtain advice to understand the affect that any salary sacrifice arrangement will have on your specific pension entitlement before entering into the Car Lease Scheme. This advice can be sought from NHS Pensions on 0300 3301 346.

### **What if I am claiming Tax Credits**

From April 2003 the government introduced tax credits, Working Tax Credit (WTC) and Child Tax Credit (CTC). The WTC is means tested and affects the amount of CTC you may receive. These tax credits consider both your earnings and that of your spouse/partner.

In principle, a company car benefit in kind is considered earnings for the purposes of WTC. Consequently each employee's situation is different and it is necessary to take the spouse/partner's salary into account in order to estimate the most realistic impact of participating in these arrangements.

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 or CTC you should consider very carefully the likely impact on your net disposable income before committing to any salary sacrifice.***

## **Long Term Sickness, Maternity Leave, Redundancy, Resignation, or Retirement**

NWSSP recognises that employees who are unable to work because of illness or incapacity, or who take maternity leave during the period of a lease contract, may have concerns about possession of a leased car. In these circumstances any employee who is unable to attend work due to sickness or incapacity, for a period exceeding 6 months, or who takes maternity leave will have the following options;

**Option 1** - To return the car and pay the early termination fee. (All costs associated with damage or excess mileage will be charged to the employee).

**Option 2** - To continue paying for the car on a net salary deduction\* basis (or standing order).

If you are expecting a baby and are considering joining our Car Lease Scheme, you must be aware that your Statutory Maternity Pay and Occupational Maternity Pay (OMP) (where payable) could be affected.

SMP and OMP are calculated on the amount of average weekly earnings during the 8-week period, fifteen weeks prior to the expected date of confinement (weeks 17 to 25 of pregnancy). A "salary sacrifice" arrangement (such as the Car Lease Scheme) will reduce the amount of salary that is liable to National Insurance Contributions.

Therefore any "salary sacrifice" entered into during this eight week period will reduce entitlement to SMP and OMP (where payable). If you are pregnant and expect to have a period of maternity leave you should think very carefully as to whether you should join the Car Lease Scheme during this period (please contact your payroll department for further details including advice on Adoption and Paternity Leave).

If you are receiving either SMP and Maternity, Adoption Pay, or Paternity Pay you should contact the Payroll department to find out whether you are receiving sufficient income to enter into a "salary sacrifice" arrangement and take part in the Car Lease Scheme after taking into account your other financial commitments which are deducted at source whilst on maternity leave, adoption or paternity leave.

Termination fees are calculated on a 5, 3, 1 profile equivalent to the monthly gross salary sacrifice payments. For example, if you return the vehicle in year 1 of the contract the termination fee is likely to be equivalent to 5 gross payments, if you return the vehicle in year 2 of the lease the termination fee is likely to be equivalent to 3 gross payments and if the vehicle is returned in the final year of the contract the termination fee is likely to be equivalent to 1 gross payment. Please contact NHS Fleet Solutions direct on 08448 118 228 to find out your exact termination fee.

Please note that the termination fee can not be paid by salary sacrifice and will be deducted from net salary.

**\*(IMPORTANT- The net salary deduction rate is likely to be at a higher rate than the salary sacrifice rate).**

If you were to retire on ill health grounds or die in service or you have been made redundant NWSSP will pay any associated early termination costs. The employee is liable to pay the early termination costs in all other circumstances (e.g. normal retirement).

## Insurance

The car will have fully comprehensive insurance for for social, domestic, pleasure, commuting and for business purposes of NWSSP and private use under the terms of insurance held by NWSSP.

Up to 4 named drivers can be included on the insurance policy (no named drivers under the age of 21 can be insured on the vehicle). 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 NHS Fleet Solutions or your Employer.

Employees should note – the car is only insured for business purposes of NWSSP. If there is a requirement to use the car for any other business use, a formal application must be made to NWSSP and if agreed will result in you needing to arrange alternative insurance.

In the event of any incident resulting in a claim against insurance the employee 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, the employee will be re-imbursed. 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. In both of these instances, a replacement car will not be provided. Policy excess levels are set by the Insurers and vary depending upon age and driving experience.

If your car has repair work carried out you are required to pay your excess direct to the garage prior to collecting the vehicle.

As part of the service we offer, you are allowed at any one time four named drivers permitted to use the lease car on the insurance policy (provided all named drivers are aged 21 or over). Like any insurance policy involvement in a traffic incident may lead to the driver having to pay an excess towards repair of the vehicle.

Our excess rates depend on individual circumstances such as age, convictions and previous fault accidents. Detailed below is the system our insurance company use that determines the excess charge the driver will be eligible for. For all drivers under the age of 23 our points system increases by 50%.

If you lose your driving licence for any reason you must inform NHS Fleet Solutions in writing immediately.

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Our standard excess rate is £250 (for employees and named drivers); however the standard rate does change for novice and young drivers.

Young Drivers & Novice Drivers		Standard excess
Any driver under the age of 25		£500
Any driver over 25 but has had full licence less than 1 year		£400
Points	Excess	
0-2	Standard excess rate	
3-4	Standard excess plus £200	
5-6	Standard excess plus £400	
7-9	Standard excess plus £600	
10-12	Standard excess plus £600 and Driver training	
12+	Referral to insurance company	
Conviction Codes		Points
CU10-60, LC20-50, MS10-40&60-90, MW10, PC10-30, SP10-60, TS10-70		1
CU80, CD10-30		3
AC10-30, BA10-30, IN10, MS50, TT99, XX99		8
DR10-90, UT10-50, CD40-71, DD30-80		10
Accidents	Points	
1 fault accident in 3 years	1	
2 fault accidents in 3 years	3	
3 fault accidents in 3 years	8	
4 or more fault accidents in 3 years	10	
<b>Examples</b>		
A 21 year old driver with no points and had licence less than a year excess would be £500		
A 25 year old with no convictions or accidents, and full licence for 6 years, excess would be £250 (0 points)		
A 28 year old with a DR10 and no accidents, excess will be £850 plus driver training at a cost of £280 (10 points)		
Any individual circumstance can be discussed by one of the lease team on 08448118228		

# Servicing Repairs and Breakdowns

All routine servicing and repairs arising from normal usage are included in the monthly payment. The employee must ensure that weekly checks such as tyre pressures, oil and coolant levels, brake fluid levels, windscreen washer level and a visual inspection of lights, bodywork and windscreen are carried out.

The employee has a duty to ensure the car is properly and regularly maintained in accordance with the manufacturer's and the lease company's instructions. Only approved agents must be used. The employee must co-operate with all reasonable requests by the Lease Company or the Transport Manager to ensure maintenance and servicing is properly and swiftly carried out. For repairs, contact NHS Fleet Solutions for advice. Damage caused by misuse, negligence or excessive wear and tear will be charged to the employee. All cars will have breakdown cover.

The following are exclusions from the leasing company breakdown cover and will result in a charge to the driver.

- 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)***

## Contract Mileage

The employee will decide the appropriate total mileage (pro rata) to be undertaken for the duration of the lease period and consequently be liable for any excess mileage charge where the mileage (pro rata) threshold is exceeded. The excess mileage charge rate depends on the specific car but is likely to be around 7p per mile (plus VAT). At the end of the leasing period if the average annual mileage (pro rata) is less than the agreed annual mileage (pro rata) the employee will not be eligible for a refund.

## Payments

NWSSP will allow employees to pay for their Car Lease by an agreed salary sacrifice.

All other charges levied against NWSSP in respect of the employee's lease car will be recovered from net salary, for example:

- Excess mileage costs
- Lease termination charges

- Lease Company admin charges associated with speeding or parking fines or any other admin duty carried out
- Uninsured damage charges
- Costs incurred through neglect, abuse or poor maintenance of the vehicle
- Insurance policy excess
- Parking and congestion charge fines
- NWSSP will deduct any charges up to the value of £100 from your salary

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

## Business Use

Employees using a Lease Car for the business of NWSSP will be reimbursed at Standard User Rates for Business Mileage, currently 67p per mile (as at February 2014). HM Revenue and Customs Company Car Advisory Fuel Rates are set between 12p to 24p per mile (as at February 2014). Employees will therefore be liable to pay tax on the difference between the HMRC Company Car Advisory Fuel Rate and the Standard User Rate paid.

## Fuel scale charge

Travel from home to base (including excess mileage as a result in change of base and organisational change of base) is defined under HMRC rules as private use of a lease or company 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. (Some examples of home to work mileage include excess travel, on-call travel, overtime travel, recalled to work travel, emergency return to work. This list is not exhaustive.)

## The End of the Agreement

At the end of the lease agreement the car should be returned to NWSSP. Assuming 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. You will be free to arrange a new lease car prior to the termination date in order to ensure that delivery of the new car coincides with the date for returning the existing car.

## Next Steps

If you wish to take up this option, wish to discuss this further, or find the extensive range of cars available under these arrangements please contact NHS Fleet Solutions by email at [enquiry@nhsfleetsolutions.co.uk](mailto:enquiry@nhsfleetsolutions.co.uk) or by telephone on: **0844 811 82 28** or visit our website at: [www.nhsfleetsolutions.co.uk](http://www.nhsfleetsolutions.co.uk) you will be required to register on our website using VPD X45.

