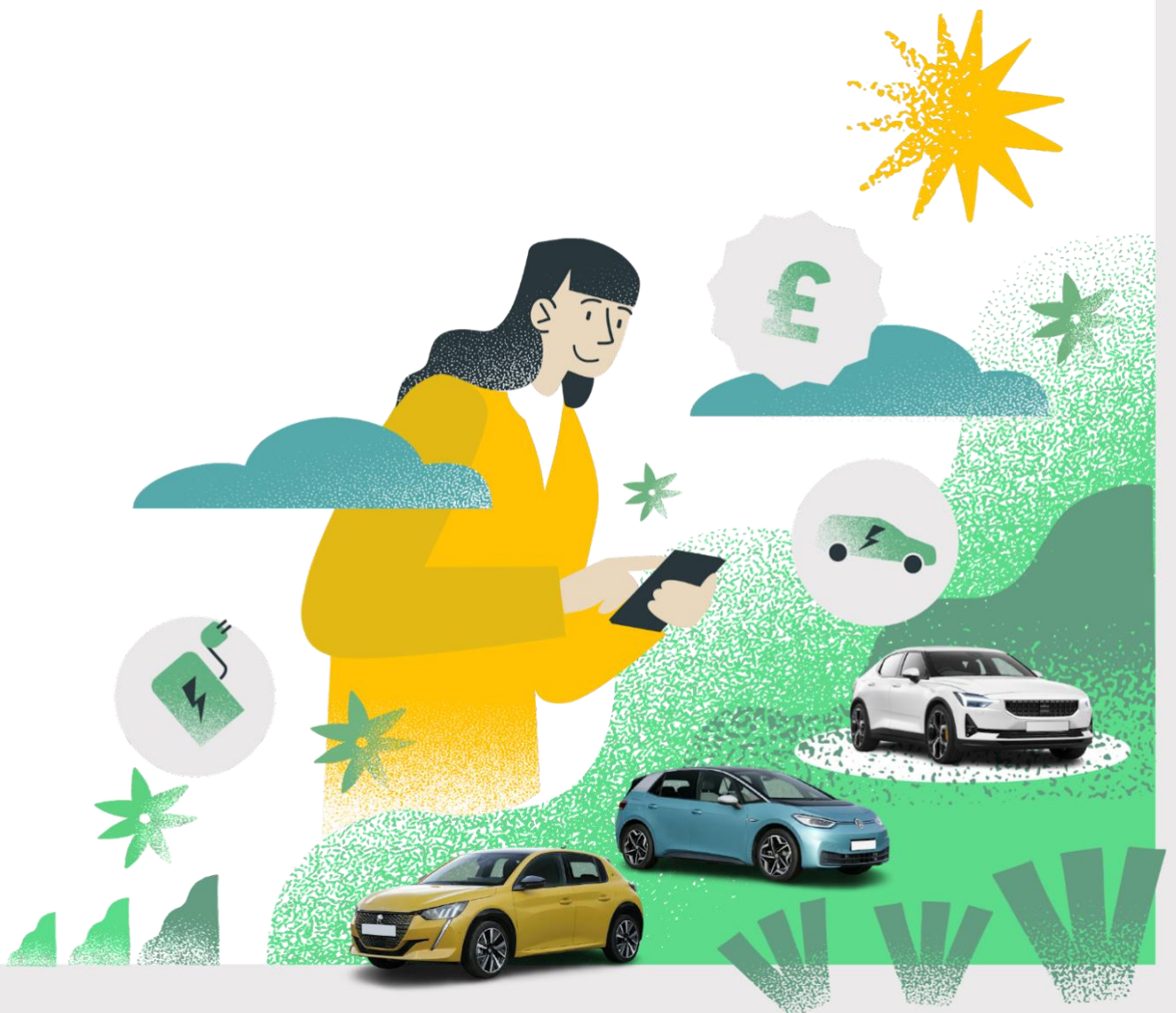


The Handbook

A handy guide for everything to do with [The Electric Car Scheme](#)





WELCOME TO THE ELECTRIC CAR SCHEME!

The Electric Car Scheme is your new salary sacrifice company car scheme. This document outlines how the scheme works and the benefits of joining the scheme.

Your company has appointed The Electric Car Scheme to manage the electric car salary sacrifice scheme on their behalf to ensure you, the employee, make significant savings while making a green choice for an electric car.

The Electric Car Scheme team is on hand to guide you through the various options and advantages of salary sacrifice. We hope this Handbook covers any questions you may have.

The first sections of the Handbook explain how the scheme works, and the later sections are a useful reference for HR and Finance teams.

We hope you enjoy your electric car!

The Electric Car Scheme team

Note: this Handbook is provided as a reference guide and does not constitute advice or a legally binding contract. For example, your company may have specific rules in place – so please refer to your salary sacrifice agreement for specific details. If anything is not clear, please let us know and we would be happy to answer any questions.





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1 HOW IT WORKS

Under our salary sacrifice scheme (the “**Scheme**”), your company will hire an electric car of your choice and will pay for the cost of the hire. You, the employee, agree to ‘sacrifice’ some of your gross salary to cover the cost of the hire, in return for getting the car of your choice.

The advantage: instead of hiring a car in the normal way and paying from your post-tax (or net) pay, your monthly repayments under our Scheme are taken from your salary before any tax or NI is paid. Instead, you pay a small tax on the value of the benefit-in-kind you receive (more on this later).

Depending on your company, you may be able to hire the electric car through a lease or a subscription. This Handbook covers both types of hire arrangement and so please make sure that you read through the correct sections.

And finally, it’s important to understand that an electric car funded under our Scheme is considered by His Majesty’s Revenue and Customs (“**HMRC**”) as a salary sacrifice company car and an approved employee benefit. HMRC sets the value of the benefit-in-kind (“**BIK**”) that they determine is received by an employee for a company car (set in the annual Finance Act) and that BIK is taxable. HMRC has set the current BIK rate at close to zero so salary sacrifice schemes for electric cars can be extremely cost effective for employees (although this may change in the future).

What are the advantages of The Electric Car Scheme for an employee?

1. **Substantial tax savings:** Salary sacrifice allows you to save between 30-60% on any electric car of your choice. You simply agree to have a portion of your pre-tax salary deducted each month to cover the car cost. Choose the car you want, add on any extras, and drive away saving thousands of pounds.
2. **Best prices available:** Our access to the top leasing companies means you can access the best prices available. You can be confident you achieve the best price available in addition to the full 30-60% tax savings on the cost of the car through salary sacrifice.
3. **All-inclusive offering:** Simplify the electric car experience - it’s easy to add everything you need into one bundle. You can get the full tax savings on maintenance, breakdown cover, comprehensive car insurance, and a home charge point - keeping your net zero journey hassle-free.
4. **Trusted 5-star service:** Serving thousands of customers and rated “Excellent – 5 stars” on Trustpilot, you can rest assured that you are in good hands. Our team of dedicated experts support you from launch and all the way along your electric car salary sacrifice journey.

Employees typically save 30-60% on an electric car through The Electric Car Scheme. We will estimate the savings for your specific circumstances during the order process.

What are the advantages of The Electric Car Scheme for the company?

You will receive the best prices on electric cars available in the market, unrivalled protection against unexpected costs, and a trusted 5* service that goes above and beyond your expectations

1. **Straightforward reporting:** It’s easy to keep your HR, Finance and Tax affairs on track. Our automated monthly payroll, HMRC and climate reporting helps you with compliance and minimises hassle.
2. **First-rate protection:** We provide market-leading protection to safeguard you from unexpected costs if an electric car needs to be returned early.



3. **No cost:** Net zero choices should be affordable for all. With no setup or running costs, our fee is equivalent to your employer's tax savings, so you can roll out the scheme at no cost to your business.

By offering this benefit you can support employees' personal journey to Net Zero and directly reduce your company's carbon emissions. Drive employee happiness and build a healthier, more sustainable company.



How the Scheme works

Step 1: Meet our team and find out about the Scheme

Our team meets with members of the company to explain our Scheme and how it can work for the company and its employees. Once you've gone through the overall setup, had all of your questions answered, and are ready to move forward, we move to step 2, and plan the scheme launch together.

Step 2: Company signs up to the Scheme and launches new employee benefit

The company enters into an Administrative Services Agreement with us and is then provided with access to our online employer portal (e.g. typically this is provided to the scheme coordinator or a director). If other HR or Finance team members need access to the online employer portal, please let your contact at The Electric Car Scheme know or email us at support@electriccarscheme.com.

Once setup, The Electric Car Scheme team will launch the scheme to employees – with information provided via email, live webinars and in person presentations and drive days where helpful. This is then followed with 1-2-1 consultations with employees interested in the scheme – moving us to step 3.

Step 3: Eligible employees explore car options and obtain quotes

Our team works with the company to help launch the Scheme with eligible employees. Once live, our team of dedicated EV specialists supports eligible employees learn about the Scheme. If you have any queries about the type of support we can provide to employees or the company, please ask your contact at The Electric Car Scheme or email us at support@electriccarscheme.com.

Once an employee has decided on the electric car that they would like to order through the Scheme, our team will prepare the car order and arrange for the employee and company to sign a Salary Sacrifice Agreement. Our team will then complete the car order, arrange for delivery (and arrange home charger installation, if requested) and keep the employee updated as they start their EV journey!

Step 4: Car is delivered and ECS supports company with payroll and invoicing

An employee's salary sacrifice arrangement will begin the day their car is delivered (as set out in their Salary Sacrifice Agreement):

- **Salary sacrifice normally starts the month after car delivery:** In our experience, it can be difficult for an employee's payroll arrangements to be updated in the same month as delivery (and in time for payroll!). As such, we suggest that the first salary sacrifice deduction is made the month after an employee's car is delivered. Similarly, we suggest that an employee's final salary sacrifice payment is made after the car has been returned (which also helps ensure that the final salary sacrifice amount captures any final payments required on return of the car).
- **The first salary sacrifice amount covers the initial 1 to 2 months of car hire:** Depending on when the car is delivered and when the company does payroll, it's possible that an employee might have the car for almost 2 months before they make their first salary sacrifice payment.
- **The first salary sacrifice amount(s) often include any additional costs or one-off fees:** If an employee chose to include any additional items in their order (e.g. a home charger) or incurred any one-off fees during their order (e.g. broker fees, delivery fees), these amounts will also be included in their first salary sacrifice payment.
- **If a lease, the first payments may follow an accelerated payment profile:** An employee may choose to salary sacrifice a larger amount during the first 6 months of their lease, before reducing their



payments in later months. An employee's payment profile is included in their Salary Sacrifice Agreement and is confirmed (to the employee and company) shortly before the car is delivered.

Step 5: Car is returned

At the end of the car hire, an employee will return their electric car and the hire company will prepare a final invoice for the company. We help the company review this invoice, especially as some amounts are only calculated at the end of the hire (e.g. damage, excess mileage, and any early termination penalties).

This is also a useful time to review the salary sacrifice arrangement and the payments made by the employee and company throughout the hire. Although the employee's salary sacrifice arrangements end once their car has been returned, the employee will remain liable to the company for any costs incurred during the car hire period (including on return of your car) and as set out in the Salary Sacrifice Agreement.

Useful links

[The Electric Car Scheme website](#)

[The Electric Car Scheme Quote tool](#)

[Employer Portal](#)

[Video Explainer](#)

[Overview presentation for Employees](#)



2 Back to basics: some important terms

To help you use this Guide, we've set out some important information below.

Key documents used in the Scheme

“Administrative Services Agreement” means the agreement setting out the salary sacrifice administration services provided by us (The Electric Car Scheme) to the company.

“Order Form” means the car order form (and schedules) that you will sign alongside your Salary Sacrifice Agreement to arrange for the order of your electric car.

“Salary Sacrifice Agreement” means the employment contract amendment agreement signed between the company and an employee setting out the salary sacrifice arrangement in relation to the salary sacrifice company car provided by the company to the employee.

“Salary Sacrifice Schedule” means the final salary sacrifice payment profile shared with the employee and the company once the delivery date for an employee's electric car has been confirmed. Revised versions may be shared during the car hire if details about the car hire change for any reason (e.g. the employee changes their mileage or goes on Family Friendly Leave).

“Scheme Documentation” means the documents you sign and receive as part of signing up for the Scheme and ordering your electric car, including the Salary Sacrifice Agreement, the Order Form and the Salary Sacrifice Schedule.

Other key terms

“BIK” means the benefit-in-kind that HMRC deems an employee receives as a result of their salary sacrifice company car. The value of the BIK received by an employee is set at a % of the P11D value of the car. That government has set BIK at 2% until 5 April 2025 (i.e. the 2024/25 tax year) and thereafter it will increase by a percentage point each tax year until 5 April 2028 (i.e. the 2027/28 tax year). From that point, the BIK rate is unknown. When preparing your Salary Sacrifice Schedule, we assume that the BIK rate will continue to increase by a percentage point each tax year after 5 April 2028. However, please note that the actual savings and change in take home pay will depend on the actual BIK at that time.

“hire” means a subscription or lease.

“hire agreement” means agreement between the company and the subscription provider or the lessor (as applicable) in relation to the hire of a car for an employee participating in the Scheme.

“HMRC” means His Majesty's Revenue and Customs.

“lease” means the hire of a car through a lessor.

“Scheme” means the salary sacrifice scheme for electric cars for your company and as administered by The Electric Car Scheme.

“subscription” means the hire of a car through a subscription provider.



3 SCHEME RULES

This Handbook outlines the constraints typical of most car hire arrangements in the market. However, you should check the hire agreement specific to your electric car to see the conditions that will apply to you.

Information about the Scheme

Who is eligible?

Your company determines which employees are eligible for the Scheme (and participation is at their discretion) – however, typical employees must:

- be at least 21 years old
- have completed 6 months' service and passed their probation
- have a minimum salary above the National Minimum Wage after all gross salary sacrifice reductions
- have held a full driving licence for a minimum of 6 months, with no more than 6 current endorsement points for all drivers of your electric car

What car can I choose, and can I choose a used car?

Our Scheme is tailored to each company and so you'll need to check with your company if you can choose a subscription car, lease car or either. Once you've done this, go to www.electricense.com to see the current range of cars and rates available.

Lease cars will typically be a new car. More and more often, it is now also possible to arrange a lease for a used electric car, although these are not yet widely available. Available used cars will be shared with you when they become available (through updates provided by The Electric Car Scheme); and once they are more common, will also be available through The Electric Car Scheme website. In addition, Subscription cars may be new or nearly new cars (they have typically been driven for less than 25,000 miles).

How many cars can I take under the Scheme?

You can usually take up to 2 cars on the Scheme, subject to your company's approval and provided that your gross salary does not fall below National Minimum Wage after all salary sacrifice deductions.

If at any point your salary does reduce below this level, the company will no longer be able to make the usual salary sacrifice deduction from your gross salary, so you must either (A) agree to a deduction from your net salary, (B) reimburse the company from other private means, or (C) return one of the cars.

What happens if my circumstances change during my car hire, e.g. I take parental leave or extended leave?

Your Salary Sacrifice Agreement for your electric car sets out the terms and conditions of your car hire. We understand that sometimes circumstances change and so your Salary Sacrifice Agreement sets out what happens in different circumstances.

Generally speaking, if your circumstances change (e.g. you resign, are dismissed or made redundant) or your pay falls below National Minimum Wage after all gross salary sacrifice deductions, your company will not be able to make salary sacrifice deductions from your gross salary as normal and you may need to cover some of the cost of the car from your post-tax earnings or other private resources, or your car may need to be returned. See Section 9 (*Early Returns*) for an overview.



If I have to make a work-related journey, how will this be reimbursed?

Each company can set its own reimbursement rate for additional mileage, and advisory mileage expenses for company cars are published at <https://www.gov.uk/guidance/advisory-fuel-rates> and reviewed by HMRC every few months.

In general, as the car is classed as a 'company car', mileage should be reimbursed at the above advisory rate (and, if not, the difference is likely to be taxable). We therefore recommend that you check with your company as to how they plan to reimburse work-related journeys and seek input from your accountant or tax advisor.

More information here: <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim23900>

Will I be invoiced by the car provider, or the company?

In most cases, your company will be invoiced directly by the lessor and will then pass the costs of the car on to you monthly via salary sacrifice. Please don't hesitate to get in contact with us at customerops@electriccarscheme.com if you or the company have any queries about your lease or the invoices.

Information about lease cars under the Scheme

What term and mileage can I have on a lease?

The hire term for a lease car must be between 12 and 48 months, and the maximum annual mileage on a lease is 30,000 miles pa.. You can choose the term and mileage to suit your requirements, but you must specify the maximum mileage for your hire before you place your car order. If you exceed your agreed maximum mileage, the lessor will charge you for the excess mileage at a set rate (which is stated in the order summary in your Scheme Documentation).

What if I need to amend my agreed mileage?

Sometimes it may be necessary to amend the mileage originally specified in your lease. If this is the case, please contact the lessor to make this change and they will re-quote you on the lease and advise if such a change is possible (and the cost). We recommend making this change as soon as possible as delays may incur additional costs.

The lessor will also review your mileage annually and may contact you to discuss realigning the terms of the lease if your mileage is significantly above the originally agreed amount. Lessors typically allow one mileage change during the term of a lease, however they may charge an administrative fee. You may also only be permitted to change your mileage after 12 months have passed, and usually are not able to change it in the last 6 or 12 months of the lease.

Who is responsible for motor insurance?

You are responsible for ensuring that your electric car is insured on a fully comprehensive policy for a lease car (and we recommend including 'business use'). Please notify the insurance company the car is accessed through salary sacrifice via your company, and the owner and registered keeper of the car is the lease company, and not yourself

When ordering your electric car, your Scheme Documentation will clearly state if you have included car insurance in your salary sacrifice package. If car insurance is not included, you are responsible for organising separate comprehensive car insurance. Generally, you will need to provide the lessor with a copy of your insurance certificate before your electric car is delivered (and following each renewal or any changes to the policy).



We also recommend that you consider taking out GAP total loss insurance to cover any loss if the car is written off or stolen whilst in your care.

What if I need to terminate my lease early?

In certain circumstances, you may need to terminate a lease early. Please see Section 9 (*Early Returns*) for more information about how this process works and when you might be liable for early termination fees.

Information about subscription cars under the Scheme

What term and mileage can I have on a subscription?

The hire term for a subscription car is a minimum of 12 months (unless the employee is making a ‘double order’ and the subscription car is being provided as an initial courtesy car due to a long delivery time for a lease car). The maximum annual mileage for a subscription car is typically 21,000 miles pa., but please note that subscription providers typically review and charge mileage on a monthly basis and so it is important to consider your monthly mileage needs (rather than just your annual mileage needs).

What if I need to amend my agreed mileage, or anything else in my subscription package?

Typically, you will be able to change your mileage and other aspects of your subscription package (e.g. additional drivers) during the term of your subscription, subject to the T&Cs of the subscription provider. Any changes that will increase the cost of the hire for the remainder of the hire term (e.g. increasing monthly mileage) may be eligible to be taken from your gross salary via salary sacrifice. In contrast, any short-term changes to the cost of the hire (e.g. extra mileage for one month to cover a holiday trip) will instead be taken from your net salary.

Who is responsible for motor insurance?

One of the benefits of subscription is that motor insurance (and road tax and MOT!) are included in the cost of the hire. However, it’s important to ensure that all additional drivers are registered with the subscription provider so that they are covered by the insurance.

What if I need to terminate my subscription early?

In certain circumstances, you may need to terminate a subscription before the minimum 12-month period with your subscription provider. Please see Section 9 (*Early Returns*) for more information about how this process works and when an employee may be liable to pay a premature exit fee.

Please also note that some subscription providers charge a full month’s hire (rather than pro rata) even if you terminate your subscription earlier in the monthly cycle. As such, it’s important to always check your subscription provider’s T&Cs or contact us at customerops@electriccarscheme.com if you have any questions.

Will I be invoiced by the subscription provider, or the company?

Typically, your company will be invoiced directly by the subscription provider and will then pass those costs on to you monthly via salary deductions. In certain cases, the subscription provider may get in contact with you director (as the driver) in relation to a certain charge (e.g. a PCN or fine). Please don’t hesitate to get in contact with us at customerops@electriccarscheme.com if you or the company have any queries about your subscription package or the invoices.



4 UNDERSTANDING SALARY SACRIFICE FOR EVS

A quick explainer of salary sacrifice for EVs

Our Scheme involves your company hiring a car of your choice in return for you ‘sacrificing’ some of your gross salary to cover the cost of the car hire.

In this way, the hire cost is taken from your salary before any tax or National Insurance is calculated and deducted, and you only have to pay a small additional BIK tax for the benefit of the car.

The amount of salary that needs to be sacrificed will depend on the circumstances, including the type and length of hire, the electric car, additional extras, salary and tax bracket, hire terms and conditions.

How will the Scheme impact my salary?

What is the impact of the Scheme on my salary?

Salary sacrifice schemes work on the basis that you contractually agree to a reduced annual salary in return for a benefit (in this case, the use of an electric car).

The amount you save each month on income tax and National Insurance via salary sacrifice will depend on your salary, any other deductions or entitlements that you have and the monthly cost of your car. Your BIK tax will depend on your car and the BIK rate for that tax year. The BIK rate is set at 2% until the 2024/25 tax year, then 3% for the 2025/26 tax year, 4% for the 2026/27 and 5% for the 2027/28 tax year. After this point, the BIK rate is unknown - however, our tax estimates assume that the BIK rate will continue to increase by 1% each tax year.

Your Scheme Documentation outlines your estimated tax and National Insurance savings, along with the estimated BIK.

What additional deductions can my company take from my salary?

Your Salary Sacrifice Agreement outlines the process for what deductions your company can take from your salary and when.

In short, you will be liable for any additional charges that arise during your car hire (and that remain unpaid at the end of your hire term) – including penalty charge notices, fines, excess mileage, vehicle damage and insurance excesses, along with any related administration or processing fees. These additional charges will typically be charged directly to your company by the lessor, subscription provider or other third party, and then deducted from your net salary by your company in accordance with the process outlined in your Salary Sacrifice Agreement.

If you or the company are unsure of any of these charges, please don't hesitate to reach out to our team to discuss at customerops@electriccarscheme.com.

When does my salary sacrifice commence?

Your salary sacrifice commences the day your electric is delivered and continues for the term of the hire. Your first salary sacrifice payment is typically made the month following delivery, and you should see the monthly deductions in your payslips. You may make your final salary sacrifice payments after the car has been returned (especially if some charges need to be reconciled after the end of the hire term).

Your Salary Sacrifice Schedule sets out your salary sacrifice payments throughout your hire term. Your monthly salary sacrifice amount may vary during the course of your hire to reflect your delivery date (start or end of month), your payment profile (flat monthly payments or accelerated), and any add-ons that you



have included in your package. Your salary sacrifice payment is taken from your gross salary and is separate to any extra payments you may have to make from your net salary in relation to your electric car (e.g. penalty charge notices, one-off changes to a subscription).

How will the Scheme impact my other benefits or entitlements?

Will the Scheme affect my other employee benefits?

In order to participate in our Scheme, you and the company sign a Salary Sacrifice Agreement in which you agree to reduce your salary in exchange for the benefit of the electric car and each party agrees to certain terms and conditions during your participation in the Scheme.

Salary sacrifice should not affect your other employee benefits. Your 'notional salary' (i.e. salary before salary sacrifice) will remain the reference point for your salary, which means other employee benefits (e.g. pension contributions) should be unchanged as a result of entering into the Scheme. Future salary reviews should also not be impacted by participating in the Scheme.

If you are about to apply for a mortgage, it's worth checking with your mortgage provider that they are happy to use your 'notional salary' for the mortgage.

Will the Scheme impact my statutory payments or entitlements?

Salary sacrifice may affect other statutory payments you receive (e.g. Statutory Sick Pay (SSP), Statutory Maternity Pay (SMP) and Adoption Pay) as your recent earnings are used to calculate those statutory payments. However, salary sacrifice should not affect your entitlement to any enhanced company policies (incl. non-statutory 'top-up' payments to compensate you for any reduction in your statutory pay entitlement).

If you're unsure, it's worth discussing with your HR and finance team. For more information about the impact of salary sacrifice on statutory pay, please see: <https://www.gov.uk/government/collections/statutory-pay> and <https://www.gov.uk/browse/working/time-off>.

Will the Scheme impact contribution-based benefits and earnings-related benefits?

Your entitlement to contribution-based benefits (e.g. tax credits) is typically directly related to the amount of National Insurance you have paid or are deemed to have paid.

If you are not in a 'contracted out' pension arrangement you may see a slight reduction in the second state pension (or 'SERPS') as this is based upon National Insurance contributions. Your pension advisor will be able to advise you on whether your pension is contracted in or out.

For more information about the impact of salary sacrifice on tax, please see: <https://www.gov.uk/guidance/salary-sacrifice-and-the-effects-on-pay> and <https://www.moneyadviceservice.org.uk/en/articles/salary-sacrifice-schemes>. The HMRC website also provides a tax credit calculator (www.hmrc.gov.uk/taxcredits) or alternatively you can call the HMRC tax credits helpline on 0845 3003 900.

Is the Scheme impacted by government policy?

Do I need to notify HMRC that I am participating in the Scheme?

Typically no - once the car is delivered, we will help your company to notify HMRC about your participation in the Scheme. HMRC will update their records to note the changes to your tax position and will recoup all monies due (i.e. the tax due on the BIK) through you're a change in your tax code. We help your company manage HMRC filings in connection with the Scheme (such as P46 (Car) form and P11D filings at the end of the tax year).



There is one exception to this – if you are lucky enough to have an annual income that is in or just above the £100-125k income bracket that reduces your Personal Tax Free Allowance, it is worthwhile contacting HMRC, as the mechanism is more complex (as reduced gross salary may increase your Personal Tax Free Allowance), and this can take time to be reflected in your tax code.

If this affects you, [you can read more about how this works here](#).

If not, it will take some time for HMRC to recognise the change in salary, and therefore the tax savings may appear lower until the end of the tax year (when HMRC “catch up”). [To contact HMRC, follow the instructions on this link](#).

Will future Budget changes affect my savings under the Scheme?

Yes – it’s possible. As you know, the government reviews its taxation policy annually (including National Insurance and the tax treatment for company cars).

Your Salary Sacrifice Schedule shows your salary sacrifice payments for your hire term based on the information available to us at the time, including government tax positions.

- The government has currently set BIK rates through to the 2027/28 tax year: BIK will be 2% until the 2024/25 tax year, and then increase by 1% each year until the 2027/28 tax year.
- The government raised the national living wage from 1 April 2025, and has also fixed all income tax thresholds through to the 2027/28 tax year.
- The government will also change road tax for electric cars from 1 April 2025, with the suggested changes below (and we will review our estimates as these are confirmed and implemented):
 - Increased road tax: new electric vehicles registered after 1 April 2025, will pay the lowest rate of road tax in year 1 (currently £10) and then move to the standard rate for years 2-7 (currently £165); and electric vehicles registered between 1 April 2017 and 31 March 2025 will pay the standard rate (currently £165).
 - Expensive car supplement: new electric cars registered after 1 April 2025 and with a list price over £40,000 for 5 years will also have to pay a supplementary cost.

We reserve the right to update your Salary Sacrifice Schedule to reflect changes in government policy as and when they arise. In these cases, we will provide you with a revised Salary Sacrifice Schedule and will of course be available to talk through the changes with you. We are not financial or tax advisors and therefore always recommend that you seek input from your accountant or tax advisor in relation to your specific circumstances.

Your company also reserves the right to discontinue the Scheme if tax changes make the Scheme no longer beneficial.



5 ORDERING AN ELECTRIC CAR

The process of ordering an electric car under the Scheme is very straight forward:

- (1) Determine the electric car and hire arrangement that best meet your needs
- (2) Obtain an up-to-date quote from our team
- (3) Confirm your order with us (and sign your Salary Sacrifice Agreement and Order Form)
- (4) Sit back while we manage the order and delivery of your electric car

Before you order your electric car

How do I obtain a quote?

To obtain a quote please visit www.electriccarscheme.com and click on “Calculate my Savings”.

Your quote will show the cost of your hire, the reduction to your gross salary and your change to your take-home pay (and other information). If you need any clarification, then please email us at info@electriccarscheme.com

If you cannot find a certain electric car on our website – don’t worry, that doesn’t mean it can’t be sourced and included in the Scheme. Please speak with your contact at The Electric Car Scheme or email us at support@electriccarscheme.com to see how we can help you.

Why do I need to enter my salary?

We need to know your annual salary in order to understand your tax band and NI contributions and estimate your tax savings as part of producing a quote. We may also ask you for more detailed information about your salary and any salary sacrifice already in place (e.g. pension) while we finalise your order with you in order to make sure your quote estimates are as accurate as we can make them.

However, we are not financial or tax advisors and therefore always recommend that you seek input from your accountant or tax advisor in relation to your specific circumstances. We do not use your salary information for any other purposes and comply fully with the data protection legislation.

Will I need to go through a credit check?

No - both lease and subscription cars are hired through your company and therefore only the company will need to undergo a credit check.

I can find cheaper lease options than on your website – why is that?

Car hire pricing moves every day. When you ask us for a quote, we search the market for business contract hire agreements available to your company in order to make sure you get the best deal available at that time.

When comparing lease quotes, it’s important to compare like-with-like. Our quotes are inclusive of VAT, and the cost of any initial payments is included in the monthly average cost. However, we find that other providers sometimes omit this information in their initial quotes in order to make their quotes initially appear lower. We are always happy to talk through quote differences with you.

Ordering your electric car

Can I choose the accessories and colours of my electric car?

Yes, you can generally choose the accessories and colours for your electric car – however, certain items may impact the availability or delivery lead time for a car. Lease cars typically offer a very broad range of



choices (although some requests, especially very bespoke ones, impact lead times if the car has to be built in a manufacturer factory).

Subscription cars offer a more limited range of choices and this is based on what is available in the subscription car market at the time. As such, some accessories and colours may not be available at the time you quote or order your subscription car, but we will do our best to find alternative options that might work for you.

We always recommend letting our EV specialists know your preferences and how you plan to use the car so that we can do our best to source an electric car that meets your needs and that you are happy with.

What add-ons can I include with my electric car?

Add-ons differ between lease and subscription cars.

Subscription cars are provided as part of a package which already includes servicing, MOT, breakdown cover, insurance and road tax. You may also choose to have home charger installation included as part of your salary sacrifice package.

Lease cars are able to be added to a package tailored to your needs: you can include servicing and breakdown cover if required, you may include home charger installation, and car insurance may be made available by your company and be included on all cars ordered through the Scheme (subject to eligibility).

If you are including car insurance through the Scheme, please note:

You are responsible for ensuring that the details of all drivers covered by your insurance are accurate. It is also your responsibility to advise of any changes to circumstances which might affect insurance. Providing false information may invalidate the policy and you will be responsible for any costs incurred as a result.

The main driver will be covered for use related to the company's business. Other forms of business use for the main driver and/or spouse/civil partner may be considered on a case-by-case basis. These details will be assessed prior to delivery of the car when the insurance broker reaches out to confirm your details. You will not be insured under this policy to drive any other car.

In the event of an insurance claim, you will be responsible for any excess. This cost will be passed on to you in the form of a service charge, collected by the repairer on completion of the repair, or may be deducted through payroll out of your net salary.

Additional details policy details can be found here:

app.electricense.com/documents/The_Electric_Car_Scheme_NIG_Salary_Sacrifice_Policy_Wording.pdf

Basic excesses are as per the below:

- Accidental Damage excess £250.
- Fire, Theft and Malicious damage excess £250.
- Replacement windscreen excess £75.00. No excess if the windscreen is repaired.
- An additional excess of £200 applies to drivers aged 21 to 24 for accidental damage.
- An additional excess of £300 applies to drivers aged 17 to 20 for accidental damage.

Your no claim bonus will not accrue whilst benefiting from the insured salary sacrifice car. If you decide to leave the Scheme, our insurance brokers will be able to provide you with a letter confirming your accident history during your term. Many insurers will accept this when considering No Claims continuity, subject to the detail of the history.



If you have any queries about your insurance cover, need to notify or report any changes, or need to add an additional driver during the term of your agreement, you can contact our broker Lloyd Latchford Group directly at 01844 276 498 or salariesacrifice@lloydatchford.co.uk



After you order your electric car

How long will my electric car take to arrive?

Car delivery times depend on your electric car and can range from 1 week to 52 weeks from date of order.

Subscriptions cars are generally available with a lead time of 1-2 weeks from date of order, whereas lease cars are generally available with a lead time of 12-24 weeks. Sometimes lease cars are in stock and can be delivered sooner (although typically still take a week or two to arrive), and sometimes they need to be built in the manufacturer's factory.

We recommend that you let us know during the quoting and order process if car availability and/or delivery time is a key decision factor for you so that we can find you the best option. Generally, if you can be more flexible on colour and trim, we are usually able to source an electric car for you in a few weeks.

What happens if I need to cancel my order?

If you need to cancel your order before your electric car is delivered, please contact us as soon as possible at support@electriccarscheme.com.

Once you have signed your Salary Sacrifice Agreement and Order Form, you will typically not be able to cancel your order without incurring a cancellation. The cancellation fee for your order is stated on your Order Form (and is also in our Information Notice on our website). You will also be responsible for paying any cancellation fees that the broker or vehicle provider may charge.

What should I do with my existing car while I wait for my electric car?

If you already have a car and are looking to change or upgrade your car through the Scheme, due to fluctuations in the market we recommend that you do not return or make any decisions about your current car until your electric car is delivered.

What should I do if I am making a double order?

If you are making a double order (i.e. a lease car with a long lead time and an interim subscription car), please note that it can be difficult to align the dates of your subscription car return and lease car delivery. As such, and to keep things hassle free, you may choose to have a crossover with your subscription and lease cars (and pay for both via salary sacrifice for that crossover).

Our team will also be in touch throughout the double order process and will endeavour to make the swap as hassle-free as possible! Please don't hesitate to get in touch if you have any additional queries at support@electriccarscheme.com.



6 DELIVERY OF THE CAR

What is the estimated delivery date?

Once you have ordered your electric car, we will share an estimated delivery date with you – this is a best estimate based on the information available to us from the other parties involved. It's important to know that your estimated delivery date can change for reasons beyond our control. We will always keep you updated on any changes to your estimated delivery date. Neither we nor your company have any control over delivery times and therefore cannot accept any responsibility for any losses or inconvenience caused by a delay.

We will let you know once your delivery date is confirmed. We will also share a revised Salary Sacrifice Schedule with you (and the company) setting out your salary sacrifice payments based on your confirmed delivery date.

What is the delivery process?

The lessor or subscription provider (or sometimes, car manufacturer) will contact you to arrange delivery of your electric car at a convenient time and location, and will also confirm the license plate of your car (which you need if you are organising your own insurance!).

When your electric car is delivered, please ensure you complete a full walk around to ensure there is no damage and all your required additional options have been included. We will also provide you with a delivery day checklist to help.

It is important that you check your car thoroughly inside and out, as once you have signed the delivery paperwork the car becomes your responsibility, and any issues need to be raised at that time. Please do not sign if you are not 100% happy with the condition of the car and how it is recorded on the delivery paperwork.

If you do spot something or have any questions or queries whilst the handover is being conducted, please contact us or your lessor or subscription provider ASAP.



7 LOOKING AFTER THE CAR

What's covered by the Scheme?

Included in the Scheme:

- **Delivery and collection** of the car from your company's offices (you may be able to arrange delivery to your home, please contact them to discuss).
- **Road tax (also known as vehicle excise duty or road fund licence)** currently costs zero (although it will increase from 1 April 2025), but you will need to arrange to re-register with the DVLA annually.
- **Protection service** allowing you to return your car in certain circumstances without having to pay early return penalty, see Section 9 (*Early Returns*) for more information.

Not included in the Scheme (unless specified):

- **Routine service, maintenance, breakdown cover, MOT and tyre replacements** will need to be arranged by you with an approved provider, unless specifically included in your package.
- **Comprehensive car insurance** will need to be arranged by you, unless specifically included in your package.
- **A replacement vehicle**, if not covered by your fully comprehensive insurance.
- **Home charger and installation** unless specifically included in your package.

What standard do I have to follow when using my electric car?

The accepted industry standard for using hire cars is 'fair wear and tear', and you'll see this mentioned in the terms and conditions for your car. The British Vehicle Renting and Leasing Association has a helpful explainer and guide for 'fair wear and tear' here: [The BVRLA Fair Wear & Tear Guide](#).

You are responsible for servicing your car at the manufacturer's usual frequency. For lease cars – if you have maintenance included as an optional extra with your car, you will be responsible for arranging the regular service, maintenance and tyre replacements by arranging these directly with the lessor maintenance support team. For subscription cars – the subscription provider will manage servicing requirements and will contact you as and when it is required.

However, it's worth noting that if during the service a mechanical failure is observed due to the driver (e.g. warning light being ignored), you will likely be charged extra.

Other examples of instances that may incur an additional charge are:

- Recovery after running out of electric charge in your car's battery
- Locking yourself out of your car
- Vehicle or tyre damage
- Vehicle being returned dirty and/or with odour in the interior (e.g. smoking)
- Missing a service
- Any other event where the driver has shown negligence

Most drivers are delighted to have a new fully managed car and treat it with complete respect, but it would be unfair for rates to rise for all drivers due to a tiny minority who do not value this provision hence the approach by lessors and subscription providers to pass on these additional charges.



What should I do if....?

I have an accident?

You should contact your insurer and arrange repairs at an approved repairer. These are not typically covered under a hire and you should notify the lessor or subscription provider of the accident and any damage immediately (in accordance with their T&Cs). If your car is written-off, your hire agreement will terminate.

For leases, the insurer will pay a settlement fee to the lessor, and that figure will be offset against the finance outstanding on your lease. Please note, there may be a gap and depending on your insurance coverage you may be required to pay an additional cost to cover any shortfall. This gap can be insured and we recommend that you take out GAP total loss insurance to cover any loss if your car is written-off or stolen whilst in your care.

Your salary sacrifice will continue until the insurer has paid the relevant settlement fee to your lessor or subscription provider.

The windscreen is damaged?

You must always ensure any chips or cracks are repaired swiftly. Please note, windscreens are not typically covered by the maintenance package for hire cars.

I received parking fines, congestion zone charges or toll charges?

A lessor or subscription provider will notify you when they receive a penalty charge notice for your electric car and it is then your responsibility to make a decision (typically within 48 hours) as to whether you accept or wish to dispute the charge.

If you don't inform the lessor or subscription provider of your decision within the period they specify, they will typically automatically attempt to transfer the liability for the charge to your name and have it reissued to you at your home address. However, if the authority rejects this transfer the lessor or subscription provider will typically reserve the right to pay the penalty charge notice and recharge you directly (in accordance with your Salary Sacrifice Agreement). The lessor or subscription provider will not be held liable for any increases in the penalty charged to you during this process.

I think I have a pending speeding conviction?

If you have been pulled over at the roadside and incurred a fixed penalty for any offence or are requested to attend a court hearing, you should advise your lessor or subscription provider so that they can update your records. You should also notify your insurer.

If you think you have been caught speeding on camera, any charge will initially be sent to the lessor or subscription provider, who will then pass it on to you or your company. It is your responsibility to identify who was driving the car at the time. The lessor or subscription provider will not be liable for any increases in the penalty charged to you during this process.

If you lose your licence, your hire will be terminated and you will be liable for any penalty or fees.

My insurance details change or I get an endorsable motoring offence?

You should contact your insurer if any of your circumstances change (or those of a nominated driver), including change of address or any endorsable motoring offences. Please also confirm any changes with The Electric Car Scheme at support@electriccarscheme.com.

If Lloyd Latchford is your insurer, you must advise them of any change in circumstance for yourself (or a nominated driver) including change of address, or any endorsable motoring offenses by



contacting 01844 276 498. Lloyd Latchford will be able to advise on the impact of the change, the options available and any additional charges payable. If Lloyd Latchford are unable to continue the insurance policy, you will be required to arrange your own comprehensive insurance, and if this is not possible, the hire agreement must be terminated early, with any cost payable by you.

I want to install a charging hub at my home?

If you have not included a smart home charger in your salary sacrifice bundle, you can still arrange to get a fast-charging point installed at home. You can find more information (and some handy guides) at <https://rightcharge.co.uk/>.

What other restrictions should I know when using the car?

Does it matter how many miles I drive?

Yes, it does matter. The cost of the hire (and therefore your salary sacrifice) is based on the mileage that is agreed when you order your electric car.

Leases typically manage mileage on an annual basis, whereas subscriptions typically manage mileage on a monthly basis. Your Salary Sacrifice Agreement and Order Form will state the agreed mileage for your contract and will also state the pence per mile (ppm) of any excess mileage.

If your initial agreed mileage is not enough, you may be able to change it during your hire by getting in contact with the lessor or subscription provider. Any increase in the cost of your hire (due to the additional mileage) will also result in an increase in your salary sacrifice payments.

Please also let us know if you change your mileage by speaking with our team or emailing us at support@electriccarscheme.com.

Can I take my car abroad on holiday?

Yes, provided that you have first obtained permission from the lessor or subscription provider to take your car abroad (they will want to ensure that your car is still insured while overseas).

Who can drive the car?

Any driver with a full driving licence named specifically on the comprehensive insurance policy may drive the car as per the terms of the policy. It is your responsibility to ensure that they hold a valid driving licence and are fully insured. Any liability for damage or loss not covered under the insurance policy will be your responsibility.

Can I change my car midway through the hire?

It depends whether you have a lease or subscription car.

Unfortunately, you are not able to change your electric car during your lease. If you like to change cars frequently, a shorter lease period may be best for you. You are able to change your electric car during your subscription, provided that you swap to a similarly priced or more expensive car (and otherwise follow the T&Cs of the subscription provider).

Can I smoke in my salary sacrifice car?

We strongly recommend that you do not smoke in the car. Lessors and subscription providers expect all cars to be returned odour-free and cigarette smoke odour is very hard to remove. If you smoke (or vape), it is highly likely that you will incur an additional charge for cleaning and deodorising your car once returned.



8 AT THE END OF THE HIRE

What do I need to do at the end of my hire?

At the end of your hire, you should contact us at support@electriccarscheme.com to help you arrange the return of your electric car.

The lessor or subscription provider will normally collect your electric car from your home or office address provided that you give them enough notice. The collection agent will ask for vehicle keys and any other items issued to you such as manufacturer's handbook, locking wheel nuts and SD cards. You will be expected to return your electric car with the agreed mileage, clean, odour free and damage free.

If your electric car is returned dirty, it may not be possible for the lessor or subscription provider to identify damage on collection meaning that you could instead be charged for a valet and for additional damage that was not identified on the collection sheet (which causes frustration for both sides).

A clean car makes it more likely that the lessor or subscription provider can accurately identify any damage at point of collection. We therefore recommend you get a vehicle refurbishment specialist to inspect your electric car prior to collection to avoid any additional charges.

What if I want another electric car at the end of my current hire?

If you have ordered another electric car through us, this car will normally be delivered on or around the day your previous car is collected. We recommend you order your replacement electric car as early as you can to ensure a smooth transition (and our team is always on hand to help manage the transition).

What if I want to buy my electric car at the end of my hire?

If you would like a price to purchase your lease car at the end of your hire, you should contact your lessor. In many cases, you should be able to purchase your lease car at the current auction value + 5%, making a saving on any sales forecourt price for an equivalent vehicle. The lessor will be unable to provide this price until towards the end of your hire as car values can change at any time, and the lessor is not contractually obliged to offer to sell the car to you.

If I have a lease, can I transfer it to a personal lease and keep the car after I leave?

Unfortunately, none of the main lessors will transfer a vehicle from a business lease to a personal lease. Lessors will consider a transfer from one company to another (or one employee to another), however, the new company would need to pass the usual credit checks and approvals.



9 EARLY RETURNS

Every now and again circumstances may change and a car may need to be returned early.

However, it's important to know that a penalty may apply if you return your car early – for lease cars, you may have to pay an early termination fee, and for subscription cars, you may have to pay a premature exit fee. These penalties are explained in detail in your Salary Sacrifice Agreement, but we've included a snapshot below.

If there is a need for an early return, we support you and your company through that process (and share our Early Returns Guide).

Snapshot: Early termination fees and leases

Early termination fees for lease cars are typically up to 50% of the remaining lease payments due under the lease and they are payable in full on return of the car.

Your Salary Sacrifice Agreement sets out the liability for early termination fees in detail. These details are specific to you and the level of protection available to you at the time of ordering the car.

In general, liability for early termination fees sits with the following parties:

Event where the car is returned	THE ELECTRIC CAR SCHEME	Company pays	Employee pays
Resignation within 3 months of Vehicle delivery			£
Resignation 3 months after Vehicle delivery	£ (if eligible for Enhanced Protection Service)		£ (if ineligible for Enhanced Protection Service)
Redundancy or dismissal (excl. Dismissal for Cause)	£		
Dismissal for Cause			£
Family Friendly Leave (including statutory maternity, paternity & adoption)	£		
Long term sick leave or death	£		
Car written off or stolen (typically covered by car insurance)			£
Loss of driving licence			£
Significant breach of terms		£ (if company breaches)	£ (if employee breaches)

Snapshot: Premature exit fees and subscriptions

Premature exit fees are payable if you return your car during your first 12 months of salary sacrifice with your subscription provider, unless one of the following exceptions applies:

- you are dismissed or made redundant;



- you resign;
- you take Family Friendly Leave and the salary sacrifice payments for your car would reduce your pay below statutory levels and you choose to end your subscription;
- you order an lead-in subscription car while you wait for a lease car (with a long lead time);
- a term of the subscription is breached;
- your subscription provider increases the price of your car and you choose to end your subscription;
- or
- your subscription provider ends your subscription in accordance with their terms and conditions.

Snapshot: Other considerations for early returns

Other additional costs are also payable at the end of a hire

A lessor or subscription provider may charge additional costs at the end of a hire, such as:

- charges for defects, damage, missing items or excess wear and tear;
- excess mileage charges;
- charges or costs relating to changes in road fund licence (also known as vehicle excise duty or road tax) during the hire;
- increases in costs related to changes in VAT or insurance premium tax;
- repairs resulting from your negligence or required as a result of the condition of the car beyond fair wear and tear;
- fines for road traffic offences (typically, the lessor will add an administration charge and you should check your lessor in this regard);
- insurance excesses or other amounts not covered by your insurance policy; and
- costs relating to any breach of compliance with their lease, including but not limited to non-return or recovery of the car.

You are liable for such additional costs and your Salary Sacrifice Agreement notes that these amounts¹ may be deducted from your net salary by your company.

Excess mileage is still calculated at the end of a hire

Your Salary Sacrifice Agreement and Order Form will specify the agreed mileage for your lease, along with the excess pence per mile (ppm) charge.

For lease cars that are returned early, the lessor will calculate the difference between how many miles you agreed to drive over the hire (on an average monthly basis) and how many you drove and will charge you at the ppm for any additional mileage.

For subscription cars that are returned early, your mileage is typically reviewed monthly and excess mileage calculations at the end of a subscription will be similar to those done at month end.

As an example, Jenny Smith signs up for a 36-month lease based on 36,000 miles (12,000 miles pa.). Unfortunately, Jenny is made redundant in month 4. This means Jenny's employer has paid 4 payments for the lease and has taken 4 deductions from Jenny's salary. Jenny committed to 1,000 miles on average per month in her Salary Sacrifice Agreement. Jenny will therefore be within the permitted mileage if she returns the car with 4,000 miles or less on the odometer. If Jenny returns the car with 4,200 miles on the clock, she will incur a charge based on the ppm rate. In this example, Jenny's lease states excess mileage is charged at 7 ppm, her employer will therefore be charged an additional £14 which they will recover from Jenny as a deduction from her net salary.

¹ In the Salary Sacrifice Agreement, these costs are referred to as 'Additional Vehicle Charges'.



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