



Electric Car Salary Sacrifice Scheme
Frequently Asked Questions



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Overview

Salary sacrifice is a tax efficient way for you to drive a brand-new electric car for a great deal less than if you leased it privately. Your employer is therefore delighted to be able to offer a range of zero emission company cars via the Harmoto Electric Car Salary Sacrifice Scheme (the "Scheme"). The following Frequently Asked Questions ("FAQs") outline the benefits of participating in the Scheme and how it works in practice.

What is salary sacrifice?

Salary sacrifice is an arrangement under which an employee agrees to give up some of their gross salary, that is your salary before income tax and National Insurance Contributions ("NIC") have been deducted, in exchange for their employer's agreement to provide a non-cash benefit, such as a company car.

How does the Harmoto Electric Car Salary Sacrifice Scheme work?

Should you wish to join the Scheme you would formally agree to sacrifice part of your gross salary. In return your employer will provide you with the zero emission company car of your choice, which will be leased by your employer via Harmoto (or "your provider"), a specialist car leasing broker.

How much can I save?

The advantage of salary sacrifice is that you do not pay income tax or NIC on the amount sacrificed. Although company cars are subject to taxation as a benefit-in-kind ("BiK"), over the next few years the income tax due on a zero emission electric car will be substantially less than the income tax and NIC saved on the salary sacrificed.

And using your provider's multi-bid approach, which ensures you always get access to the most competitive lease deals, you will be able to drive a brand new car for a much lower cost than if you leased it personally from your net income, a lease on which you would also have to pay Value Added Tax ("VAT") at 20%.

Your precise savings will depend upon your personal tax circumstances and the make and model of the car you choose.

Why is your employer implementing the Scheme?

To provide its employees with a cost-effective way of acquiring a new electric car, by making the most of the significant savings available from the tax efficient leasing of a zero emission company car. It enables your employer to address the increasing demand from employees to adopt green initiatives and enhance its overall reward package, which help to recruit and retain the right people.

Do other employers have similar schemes?

Yes. Many employers in both the private and public sector operate similar schemes for their employees.

What will I be entitled to if I join the Scheme?

The Scheme includes the provision of the car, including road fund licence, servicing, maintenance, fully comprehensive motor insurance and roadside assistance; your employer also provides comprehensive protection against early termination.

Please see the section entitled **End of contract or early termination** or refer to **Appendix 1** for more details.

Will my salary sacrifice increase each year?

No, the cost of your car will remain the same, unless there is a change in the rate of VAT or Insurance Premium Tax, in which case your salary sacrifice may be amended.

Any future BiK tax increases will be reflected in changes to your tax code, which will affect your take home pay.

Are there any other charges?

Your salary sacrifice will cover the cost of leasing the car and the ancillary services such as maintenance motor insurance and early termination protect, but the lender may apply additional, out of contract charges, in certain circumstances.

For example, if you commit a parking offence you will be liable for any penalty, which will be recharged to your employer by the lender, and deducted from your net pay together with an administration fee of up to £25 (plus VAT) which may also be applied by the lender.

How many cars am I allowed under the Scheme?

The Scheme allows eligible employees to have up to 2 cars. However, if you already have an allocated company car this will count as part of your entitlement under the Scheme.

Will second-hand cars be available under the Scheme?

Yes. However, availability will be limited to Scheme cars which have been handed back by other participants before the end of their agreed salary sacrifice term.

Will I own the car?

No. You will not own the car during the term of your salary sacrifice agreement. At the end of your agreement, including early termination, the car must be returned to the lender, unless you reach a separate agreement directly with the lender to retain the car.

Is salary sacrifice right for me?

In order to benefit from the tax and NIC advantages, HMRC requires that the salary sacrifice must be a formal change to your terms and conditions of employment rather than an informal arrangement that you can simply amend at your discretion. For this reason, we normally require employees to take part in the Scheme for at least 2 years.

Therefore, joining the salary sacrifice scheme, although tax efficient, is a long-term financial commitment which should be considered thoroughly before proceeding. You are advised to read and take account of all the issues raised in these FAQs, which have been designed to answer the questions most frequently asked about salary sacrifice and the Scheme.

You should use these FAQs as a guide to satisfy yourself that a company car taken via salary sacrifice will meet your lifestyle needs throughout the duration of the contract and that you understand your rights and obligations under the Scheme. If you have any questions or require any further information please speak to the person responsible for operating your employer's Scheme.

Eligibility

Am I eligible to join the Scheme?

To be able to join, in addition to being eligible for the Scheme insurance, you must:

- earn a salary sufficient to enable the sacrifice due under the Scheme to be made without reducing your post sacrifice, revised salary below the National Living/Minimum Wage; and
- be aged 18 or over.

Your employer may also stipulate that you:

- are a permanent member of staff, not on a temporary or fixed term contract and no longer subject to a period of probation;
- are not the subject of any disciplinary or redundancy proceedings or given notice of your intention to leave employment; and
- are not on long term sick leave, sabbatical or parental leave.

If your application to take part in the Scheme is accepted by your employer this does not in any way affect your employer's rights to terminate your employment in the normal way.

Can part-time staff join the Scheme?

Part-time employees are eligible to join provided certain requirements are met. Please refer to the section entitled **The impact on statutory payments and state benefits** for questions relating to the National Living/Minimum Wage and the Lower Earnings Limit.

I am already participating in a salary sacrifice scheme - does this affect my eligibility status?

To ensure you are eligible to join the Scheme, and that your current salary sacrifice(s) will not be affected by joining the Scheme, please contact the person responsible for operating your employer's Scheme.

Am I eligible for the Scheme insurance?

You must meet the following insurance criteria to be eligible to join the Scheme.

- All drivers must be between 18 and 75 years of age (and no older than 78 at the end of the term);
- All drivers must hold a full licence from the UK, EU, EEA or one of the following countries; Andorra, Australia, Barbados, British Virgin Islands, Canada, Falkland Islands, Faroe Islands, Hong Kong, Japan, Monaco, New Zealand, Republic of Korea, Singapore, South Africa, Switzerland, USA or Zimbabwe;
- You must have been a permanent employee for a minimum of 3 months;
- All drivers must be permanent UK residents;
- All drivers must have:
 - no more than 2 category 'A' convictions disclosed in the last 3 years;
 - no more than 1 FAULT claim per driver disclosed in the last 3 years;
 - no convictions (as highlighted below) which are less than 5 years old on the delivery date;
 - no non-motoring convictions still in force under the Rehabilitation of Offenders Act;
- Drivers must not be employed by the emergency services - unless explicitly agreed; and
- Drivers must not be celebrities or otherwise in the public eye including professional sportspeople, actors and musicians.

Category 'A' Convictions show on online licence checks beginning with the following codes: CU, LC, MW, PC, SP or TS

Please note: you DO NOT meet the eligibility criteria for the scheme if you have a conviction in the last 5 years:

- which has resulted in a ban (including any of the minor conviction codes above); or
- with any of the following letters on your licence: AC, BA, CD, DD, DG, DR, IN, MS, TT or UT

See the section entitled **Insurance** for further information.

Will I be given any formal advice regarding my suitability to join the Scheme?

No. The information provided in this guide does not constitute advice. You should seek independent financial advice if you are unsure about your eligibility to join the Scheme or its financial consequences.

Impact on salary, other company payments and tax

How will my pay be affected if I join the Scheme?

If you decide to take part in the Scheme your total gross pay will be reduced by an agreed amount and in return your employer will provide you with a fully maintained and insured zero emission company car.

The **sample payslips** illustrate how your payslip is likely to change if you join the Scheme, and highlight the potential income tax and NIC savings available.

What will happen to my cash allowance if I join the Scheme?

If you continue to receive a cash allowance during the contract period, the cash allowance will be included in your payslip as usual. The **sample payslips** illustrate how your payslip is likely to change if you continue to receive a cash allowance during the contract period.

Alternatively, your employer may choose to withdraw your cash allowance and reduce the gross salary sacrifice accordingly.

Why do I need to agree to a reduction in pay to enter the Scheme?

To meet HMRC requirements, your pay must be contractually reduced in order for you to take advantage of the income tax and NIC savings associated with salary sacrifice. As set out in the **sample payslips**, savings are available if you formally sacrifice gross, pre-tax salary as you will no longer pay income tax or NIC on that part of your salary.

How will participation in the Scheme affect the amount of income tax and NIC I pay?

You will no longer pay income tax or NIC on the gross salary you give up. But as the car is a company car, and therefore a taxable benefit, you will pay income tax on the value of the benefit.

Please see the worked example below.

Why do I have to pay income tax on the car benefit?

Because you are acquiring a leased car via your employer that is available for your private use it is classed as a company car and therefore a benefit provided by reason of your employment. You have to pay "BiK" tax on a company car as you do on most benefits provided by your employer.

How do I calculate the income tax to be paid on my new car?

If you are close to the threshold between tax rates (e.g. basic rate/higher rate) the tax you pay may have to be split between the two rates, but the simple example below is a guide to the calculation.

Example

If you are a basic rate taxpayer and choose a zero emission car with a list price of £25,000 then in 2025/26 your annual BiK tax would be £150, as calculated below.

$(£25,000 \times 3\%) \times 20\%$
List price x BiK percentage x Your tax rate

HMRC provides an easy to use tax calculator [online](#).

Please note that BiK tax is collected via a reduction in your tax-free pay, so you will not see a separate monthly amount in your payslip but a change to your tax code which will increase the amount of income tax deducted from your pay each month.

What are the BiK percentages for electric cars?

The BiK percentage for all zero emission cars is set at 3% for the 2025/26 tax year, after which it will increase by 1% in each of the following three tax years, rising to 5% by 2027/28. The rates will then increase by 2% per year for two tax years, reaching 9% by 2029/30.

The increases to BiK tax taking effect from April 2025 should be greatly outweighed by the significant, overall savings available under the Scheme.

Will my tax code change immediately?

After the car has been delivered your employer will inform HMRC that you have been provided with a company car. HMRC will then arrange for your tax code to be changed so that the income tax can be deducted from your monthly pay. This may take several weeks, but it is possible this may be speeded up if you amend your own tax code via HMRC's [online portal](#).

As soon as HMRC confirms your revised tax code to your employer the income tax due on the company car can be collected. As this may take several weeks you should note that the first collection may include more than one month's company car tax.

If I join the Scheme will it affect any other payments or benefits made by the Company?

As noted in the **sample payslips**, we use the term "Reference Salary" to mean your original salary before taking account of any salary sacrifice adjustment and the term "Revised Salary" to refer to your salary after the sacrifice.

Your participation in the Scheme should not affect any other salary-related earnings as all future pay rises, salary related pay and benefits provided by your employer, including bonuses, commissions, overtime and shift premium, should continue to be based on your "Reference Salary".

Will my Pensionable Salary remain the same?

Your Pensionable Salary should be unaffected and continue to be based on your "Reference Salary". For further information and guidance about any potential impact on your pensionable salary please contact the person responsible for operating your employer's Scheme.

What about Pension and Death in Service benefits?

These benefits should continue to be based on your Pensionable Salary, which will be the "Reference Salary" and should therefore not be affected. For further information and guidance about any potential impact on your pension contributions and benefits contact the person responsible for operating your employer's Scheme.

How will I be recompensed if I use my car on business?

As a car provided under the Scheme is a company car the amount you may be reimbursed tax free when using your car on business will be determined either by the cost of electricity, or HMRC's Advisory Electricity Rate ("AER"). Please visit HMRC's guidance for further details and the current rate.

Prior to joining the Scheme, if you used your own car on business, your employer was able to reimburse you using the tax-free Approved Mileage Allowance Payments (“AMAPs”), or you could claim Mileage Allowance Relief (“MAR”) if your employer paid you a lower amount; MAR is income tax relief on the difference between the maximum AMAPs and the amount you were reimbursed.

Company car drivers cannot claim MAR if they are reimbursed less than the cost of electricity or the AER, and if your employer continues to reimburse you at a rate that exceeds the AER or the cost of electricity used on your business journeys you will have to pay income tax and NIC on the difference.

I have a fuel card - will I be able to continue to use it to charge my car via the public network?

Many fuel card providers now provide a combined fuel and EV charge card solution which enables cardholders to charge via the public charging network as well as refuelling at petrol stations.

What if I need a reference for a mortgage or a loan?

Many mortgage lenders are familiar with the concept of salary sacrifice and run similar schemes for their own employees. When responding to any mortgage lender’s request for information regarding salary, your employer should confirm the amount of your “Reference Salary”, that is your salary before the application of the salary sacrifice.

Impact on statutory payments and state benefits

Salary sacrifice will be financially beneficial for most employees, but please refer to the following questions to determine how participation in the Scheme may impact your overall financial position. If, having considered this information, you need further advice or guidance please contact the person responsible for operating your employer’s Scheme.

What if participation would cause my salary to fall below the National Minimum Wage?

Your pay must not fall below the National Living Wage or the National Minimum Wage, for which the current rates can be viewed [online](#). As an example, for an employee aged 21 or over working 35 hours per week from April 2025 the National Living Wage would equate to approximately £427 per week, £1,852 per month or £22,222 per annum.

If, after taking account of salary sacrificed under all the schemes in which you participate, your gross pay would fall below your threshold, you will not be able to join the Scheme. If you think your pay may fall below the National Living/Minimum Wage by joining the Scheme you should consult the person responsible for managing your employer’s Scheme to determine how else you may be able to make the most of your employer’s wide range of tax efficient flexible benefits.

If I join the Scheme could my entitlement to state benefits be affected?

Your entitlement to state benefits, such as Statutory Maternity Pay (“SMP”) and Employment and Support Allowance, may be affected as a result of your participation in the Scheme if your average gross weekly earnings fall below the weekly earnings threshold¹.

¹Equivalent to the [Lower Earnings Limit](#)).

As your employer regularly monitors levels of pay to ensure its legal obligations are met, if your salary is likely to fall below any of the relevant statutory thresholds, and you may be adversely affected by joining the Scheme, your employer should liaise with you to help you consider your personal circumstances and make the best financial decision for you.

What is the impact on Child Benefit if I join the Scheme?

For most employees there will be no impact on Child Benefit.

However, a tax charge is applied to those with an annual income above £60,000² who receive Child Benefit, or whose partner receives Child Benefit. As HMRC should consider your Revised Salary, that is your gross salary after your salary sacrifice, participation in the Scheme, may reduce the amount of tax charged on the Child Benefit you or your partner receive because the salary sacrifice should reduce your [adjusted net income](#), which is used to determine if your Child Benefit should be taxed .

²The charge is 1% of child benefit for every additional £200 earned, such that when earnings exceed £80,000 the tax charge is equal to the child benefit payment.

Will there be any change in the amount of tax credits I receive if I take part in the Scheme?

Your gross salary and the taxable value of your new company car will be used by HMRC to calculate your entitlement to tax credit. As your gross pay will reduce and the BiK tax on your zero emission car should be very low your entitlement to tax credits may increase.

If you currently receive tax credits, if your annual income changes by £2,500 or more by joining the Scheme, it is recommended that you immediately report the reduction of your income to HMRC as this may trigger a change to your tax credits.

Further information can be found [online](#).

Will there be an impact on my entitlement to Universal Credit if I take part in the Scheme?

For those in work their entitlement to Universal Credit is affected by their net earnings, that is the salary they're paid after deductions such as income tax, NIC and pension contributions. If you are entitled to Universal Credit and are eligible to join the Scheme the amount of Universal Credit you may claim may be affected by your participation in the Scheme. Because your net earnings will reduce your entitlement to Universal Credit may increase.

Further information may be found [online](#).

Will participation in the Scheme have any impact on my child maintenance payments?

Child maintenance payments are calculated by reference to your taxable gross income, after any pension contributions, and any salary sacrificed are taken in to account. The taxable value of your new company car should not be included in the calculation, but the receiving parent may ask that it is taken in to account as an 'additional income variation'.

If you join the Scheme your income for child maintenance purposes should decrease, and your child maintenance payments may therefore be reduced as a result. For further information about child maintenance payments please visit gov.uk or see the Child Maintenance Service [step-by step guide](#).

Will my student loan repayments be affected?

Student loan repayments deducted by your employer via Pay As You Earn ("PAYE") are calculated by reference to gross earnings subject to Class 1 NIC.

As a result of your participation in the Scheme your gross earnings subject to Class 1 NIC will reduce but the taxable value of your new company car will be excluded when determining your earnings and it is therefore likely that your student loan repayments will reduce as a result of participating in the Scheme.

What about the impact on the State Pension?

Under certain circumstances your State Pension may be slightly affected by taking part in the Scheme.

Your entitlement to the new [State Pension](#) is based upon your payment of Class 1 NIC, which are paid as long as your gross pay exceeds the annual [Primary Earnings Threshold](#)³. Provided your gross pay is above this threshold, participating in the Scheme should have no effect on your entitlement to the State Pension.

³ If you earn between the annual Lower Earnings Limit and the Primary Earnings Threshold you are deemed to have paid NIC and will therefore accrue a qualifying year for the State Pension.

Joining the Scheme

Which cars can I choose under the Scheme?

Your choice of car is restricted to electric cars only, and may be affected by your salary and the availability of insurance, which may depend on your age and postcode.

How can I find out which cars are available and how much I could save by joining the Scheme?

From e-Fleet, your provider's cloud-based management and reporting platform, you'll be able to access a dedicated salary sacrifice portal via which you'll be able to search for your ideal electric car from the hundreds of models now available from a wide range of manufacturers.

You will be able to park the cars that appeal to you in the virtual garage and download as many indicative salary sacrifice quotations as you like so that you can compare the features of each car and discover the savings they offer.

How do I arrange a test drive?

The easiest way for you to arrange a test drive is to do so directly with your nearest main dealer.

Can I choose colours and add options?

Yes. Choice of colour and options made available by your chosen manufacturer are permissible.

Choosing additional options is likely to increase the amount of salary you sacrifice each month, but in no circumstance can you select a car, or additional options, that would cause the salary you sacrifice to reduce your salary below the National Living/Minimum Wage.

What will be included with my car?

In addition to your brand new electric car, the Scheme includes servicing, maintenance, fully comprehensive motor insurance and roadside assistance.

Can I modify the car?

You should not alter or modify the car in any way without seeking prior approval from the lender. Your lender can be contacted using the 'Useful numbers' section on our e-Fleet app.

How do I order my chosen car?

Once you're ready to order a car you should submit an enquiry from your provider's dedicated salary sacrifice portal to e-Fleet. A representative of your provider will contact you to discuss your precise requirements, including any options you might wish to add and the mileage you think you'll undertake each year.

Once your provider has secured the best possible price for your car you'll be presented with a final salary sacrifice quotation, which is valid for 14 days, which you'll be able to review and approve online via e-Fleet.

What happens once I've placed my order?

Authorisation to order the car will be sought from your employer, and you'll then be asked to digitally sign your salary sacrifice agreement within e-Fleet.

Once your employer has countersigned your salary sacrifice agreement and approved the order of your car, your provider will place the order with the dealer, finalise the lease with the chosen lender and let you know the estimated delivery date.

Could my employer reject my order?

If the salary sacrifice you'll have to pay for your chosen car would reduce your pay below the National Living/Minimum Wage, your employer would be obliged not to approve your order.

Likewise, if the car you've selected falls outside the Scheme policy parameters determined by your employer, they may not authorise your order and ask you to select a more appropriate car from those offered on the salary sacrifice portal.

Can I cancel my order once it's been placed?

If you wish to withdraw your application to join the Scheme after your car has been ordered you will be liable to a cancellation charge which is generally between £250 and £500 (plus VAT). This will be charged to your employer who will deduct it from your net pay in the following month per the terms and conditions of the Scheme.

Can I amend my order once it's been submitted?

Whilst your provider cannot guarantee to accommodate your request, where an amendment is possible your employer may incur a charge if unavoidable costs or losses are incurred in the supply chain. Your employer will deduct any charge from your net pay in the following month per the terms and conditions of the Scheme.

What happens if I order a car and leave employment before it is delivered?

Your order will be cancelled by your provider which may result in a recharge to your employer where this causes unavoidable costs or losses to be incurred in the vehicle supply chain. Your employer will be entitled to pass any recharges on to you by deduction from your final salary. See the section entitled **End of contract or early termination** for further information.

How long must I keep the car?

Your contract is for a fixed term of 2, 3 or 4 years. Within 6 months of the end of your contract your provider will contact you to discuss your options and your potential choice of a new replacement car.

If you wish to terminate the contract early, an early termination charge may apply. See the section entitled **End of contract or early termination** for further information.

Does it matter how many miles I drive?

Yes. You will be asked to estimate your annual mileage and you should try to make your estimate as accurate as possible so that you do not exceed this mileage during the lease contract.

When you return your car at the end of the contract, if the recorded mileage exceeds the agreed contracted mileage, you will be liable to an excess mileage charge which will be deducted from your net pay by your employer in the following month.

How do I find out how much my salary sacrifice will be?

You will be provided with a final quote from your provider which will contain the gross salary sacrifice you will make each month.

When will my salary sacrifice start?

Your first salary sacrifice will be made in the month following delivery of your car.

How long will I have to wait for my new car?

The wait time will depend on the car you order and whether it is in stock or has yet to be made by the manufacturer. Once your order has been placed, your provider will inform you of the car's estimated date of delivery and will update you in the event of a change to this estimate.

Once the delivery date of your new car has been confirmed your provider will contact you to arrange its delivery and, where appropriate, collection of your current Scheme car.

Will a hire car be provided whilst I wait for my car to be delivered?

No hire or temporary cars will be provided.

How do I find out if I can install a home charge point?

your provider has teamed up with PodPoint to offer home charge point installations for Scheme participants.

For information related to the installation of a home charge point please contact your provider.

When should I organise the installation of a charge point for my home?

PodPoint offers standard installation of a 7kWh charge point for less than £900 (although this price may be subject to change). Once your car has been ordered, you may proceed to organise the installation of a charge point at your home.

For more information related to the installation of a home charge point please contact your provider, who will explain the process to you and contact PodPoint on your behalf, with a view to installation between 2 to 4 weeks prior to delivery of your car.

Will I need to pay for the installation of a charge point at home?

Charging at home is not only the most convenient way to charge your car but will be much cheaper than charging via the public network, and you are therefore advised to install a charge point at your home, which you will have to pay for unless your employer is willing to contribute towards the cost.

Will I be eligible for a grant?

An [EV chargepoint grant](#) remains available to homeowners who live in flats, or individuals who live in rented accommodation. The grant provides up to 75% of the installation cost of a charge point.

The grant available may vary across the regions and nations of the United Kingdom; for example an EV chargepoint grant is available to those with access to [on-street parking](#) from certain local authorities in England. For more information on grants please speak with your chargepoint provider.

Will I get the range I expect from my car?

As with any car, the range you get during day-to-day driving is likely to differ from the official range stated by the manufacturer, and electric cars are no different. The actual range your car achieves will depend on a number of factors including:

- temperature, the batteries are less efficient in the winter;
- speed, electric cars are more efficient at lower speeds;
- the route you take, hills will take more power from the battery;
- how you drive:
 - accelerating and braking gently improves efficiency;
 - preserving momentum and using regenerative braking improves efficiency; and
- use of the heater or air conditioning.

But you should remember that your car will also 'make' additional electric miles on many journeys, where you drive economically and at lower speeds.

How long will it take to charge my car?

Charging times vary depending on the battery capacity, the charging speed of the car and the speed of the charge point, but however fast the charge point the charging time will be limited to the maximum charging speed of your car. So, if your car has a 7kW charging speed, if the charging unit has a speed of 50kW your car will still only be able to accept charging at 7kW.

Do I need to change my electricity tariff?

No, but we advise that you review your tariff with your energy supplier to ensure you will still be on the best tariff after you start charging your car at home.

Some energy providers offer off peak, or smart, tariffs which make it cheaper if you charge your car overnight

During the contract period

What if I my circumstances change after my car has been delivered?

If you decide to join the Scheme you will be committing to a 2, 3, or 4 year salary sacrifice agreement.

Therefore, should you opt out early you would not be eligible to re-join the Scheme prior to the termination date of the original agreement and you may be liable to an early termination charge, unless the termination arises as a result of one of the following:

- Career break;
- International secondment/transfer;
- Long term sickness;
- Loss of licence;
- Reduction in contracted hours;
- Redundancy (voluntary or forced);
- Retirement;
- Termination of employment as a result of resignation or dismissal; or
- Parental leave

Where an early termination charge would not apply, please note you may still be liable for any excess mileage or damage charges relating to your use of the car.

Should you terminate your salary sacrifice early for any other reason you may have to pay an early termination charge unless your employer exercises its discretion not to pass the costs on to you.

See the section entitled **End of contract or early termination** for further information.

How do I manage the maintenance of my car?

General maintenance and breakdown services are included within your salary sacrifice, but it is your responsibility to ensure the car is maintained to manufacturer standards until you return it.

To arrange servicing, maintenance or repairs you should contact your lender via the dedicated support line accessible from e-Fleet.

Once you've logged on to the e-Fleet app to retrieve your lender's support number enter the registration of your car then just:

- select the relevant category;
- the number you need will pop up;
- click on the phone number and the call will start.

Can I keep my car during parental leave?

Yes. You can retain the car for up to 12 months whilst on parental leave without charge. Your salary sacrifice will be suspended when your total pay falls below the gross salary sacrifice and will be reinstated 12 months after the commencement of your parental leave, or when you return to work, if earlier.

If you return to work on reduced pay, for example because you return on a part-time basis, and are unable to meet the salary sacrifice, or you do not return to work, your participation in the Scheme will cease with immediate effect. You will be required to return the car to your employer unless it offers you an alternative arrangement, or allows you to reach an agreement directly with the lender for you to retain the car.

See the section entitled **End of contract or early termination** for further information about the charges that may arise if your car is returned early, including the circumstances in which your employer may exercise its discretion not to pass some or all of the charge on to you.

What happens if I need to take an extended period of sick leave or unpaid leave?

You may continue to take part in the Scheme as long as your total pay, including any occupational sick pay, remains sufficient to support your salary sacrifice, otherwise your participation in the Scheme will cease immediately. You will be required to return the car to your employer, unless it offers you an alternative arrangement, or allows you to reach an agreement directly with the lender for you to retain the car.

The section entitled **End of contract or early termination** provides further information about early termination charges.

What happens if I leave employment?

You will be unable to continue to participate in the Scheme if you leave your employer's employment for any reason. You would therefore have to return the car to your employer, unless it offers you an alternative arrangement, or allows you to reach an agreement directly with the lender for you to retain the car.

See the section entitled **End of contract or early termination** for further information about the charges that may arise if your car is returned early.

What happens if changes in legislation mean that salary sacrifice schemes are no longer effective?

There is currently no indication from HMRC that salary sacrifice arrangements for ultra-low emission cars will be the subject of general prohibitive legislation in the near future.

Moreover, we know how company cars will be taxed until April 2030 so there is a fair degree of certainty regarding the tax implications of participating in the Scheme.

If the law or HMRC practice changes and it is no longer advantageous to operate the Scheme, your employer reserves the right to withdraw the Scheme. In this case no new cars will be delivered after the date of withdrawal of the Scheme, but existing contracts will be honoured providing it is still financially advantageous for you to continue to participate until the end of the lease, when the salary you will be paid will revert to your "Reference Salary", that is your salary before the salary sacrifice.

Please note that Scheme documentation will refer to your salary before the salary sacrifice as 'Reference Salary' but it may appear as 'Notional Salary' or something similar on your payslip.

What happens if I receive a parking fine or a congestion charge notification?

You will be liable for any out of contract charges, such as parking fines, congestion charges, or other motoring costs. As the registered keeper of the car, any such charges incurred by the lender will be recharged to your employer together with an admin fee of up to £25 (plus VAT). Per the terms of the Scheme your employer may then deduct these charges from your net pay the following month.

End of contract or early termination

How do I organise a new salary sacrifice car at the end of the contract term?

Your provider will contact you 6 months prior to expiry of your current agreement to outline the process to return your car and renew your participation in the Scheme.

How do I arrange to return my car?

To arrange the collection of your car please contact your provider. Please note collection may take up to 10 working days after your request, so please allow for this.

Please note, if you have ordered a replacement car through your provider then collection of your existing car should be on the delivery date of your new car and you will not need to request collection of your existing car, unless you plan to return it before the delivery of your new car.

If your new car is not available when your scheme car is due to be returned your provider will contact you to discuss your options.

We advise assessing the condition of your car before arranging collection to ensure it complies with BVRLA fair wear & tear guidelines.

What happens when I return my car?

Following its return to the lender your car will be inspected. This inspection will note any damage to the car in accordance with BVRLA Fair Wear & Tear standards, along with the completed mileage.

Unfair wear and tear

Where the car has been damaged beyond what is deemed to be fair wear and tear a charge may be levied to repair the damage.

Excess mileage

If the car's mileage has exceeded the contractual mileage, an excess mileage charge may apply.

End of contract charges

When completing your application to join the Scheme you must agree that you are responsible for any applicable fair wear and tear or excess mileage charges following the return of the car. Once notified by the lender your employer may, at its discretion, pass on any or all charges due which will then be deducted from your net pay in the following month.

What is fair wear and tear?

The BVRLA Fair Wear & Tear Guide sets out a comprehensive definition of acceptable wear and tear, such as superficial stone chips or scratches. For further information please request a copy of the BVRLA's Fair Wear and Tear Guide from your provider.

What is an early termination charge?

An early termination charge is the amount payable should your participation in the Scheme cease before the end of the agreed term and your car is returned to the lender. Any early termination charge will be calculated and notified to your employer by your provider as soon as possible following receipt of the notification of early termination.

Subject to the exceptions noted below, per the terms and conditions of the Scheme where an early termination charge arises it will be recharged to you by your employer via a deduction from your net pay, or by invoice if you have left employment.

Will I have to pay an early termination charge?

If you have to leave the Scheme early, if your employer does not intend to retain or reallocate your car to another employee, and you have not agreed directly with the lender that you may retain the car, the early termination insurance arranged by your employer will cover early termination charges should your agreement be terminated as a result of:

- Career break;
- International secondment/transfer;
- Long term sickness;
- Loss of licence;
- Reduction in contracted hours;
- Redundancy (voluntary or forced);
- Retirement;
- Termination of employment as a result of resignation or dismissal; or
- Parental leave

Should you terminate your salary sacrifice agreement early for any other reason, you may be liable for any charges unless your employer exercises its discretion not to pass the costs on to you.

What conditions apply to the early termination insurance?

To qualify for early termination insurance, you must have participated in the Scheme for a minimum of 3 calendar months. If you terminate your agreement in the first three months of the term you shall be liable for a termination payment amounting to 50% of the outstanding rentals. If you terminate your agreement after the first three months of the term you will be liable for a termination charge which amounts to 3 months rentals, subject to certain exclusions.

Please refer to **Appendix 1** for more information on early termination charges.

Should an early termination charge be passed on to you by your employer it will be deducted from your net salary; subject to the amount recharged this may be recovered over several months. If you leave your employment you remain liable for any early termination charge, in which case a payment method will be agreed between you and your employer.

Can I buy the car at the end of the contract or if I leave the Scheme early?

There is no option to purchase the car under the Scheme.

If you wish to retain your car when your salary sacrifice agreement ends you should contact the lender directly to discuss the options available to you.

What are my options if I leave the Scheme early and don't want to retain the car?

If you do not retain the car it will be returned to the lender and an early termination charge levied unless, your employer, at its discretion, reallocates your car to another employee or retains it as a pool car.

Can I extend the length of the contract?

No. The length of the contract cannot be varied.

Motor insurance

Will I be responsible for arranging motor insurance?

Comprehensive insurance is included and will be arranged when you join the Scheme.

Will I have to pay the insurance premium?

The insurance premium will be included within your salary sacrifice.

Will the insurance premium increase every year, or if I make a claim?

No. The insurance premium is fixed for the duration of your salary sacrifice agreement, regardless of your claims history during the contract. Any claims made may however be taken in to account should you choose an additional car under the Scheme, or wish to rejoin the Scheme at the end of your agreement and select another car.

Does the insurance premium vary according to the term of my salary sacrifice agreement?

Yes. The insurance premium increases according to the term of your agreement.

What cover is included?

- Premium is a true fixed price for the lifetime of your agreement.
- Social, domestic, pleasure and commuting cover, including cover as standard for the policyholder in connection with business use for their employer; other business use for the policyholder and/or spouse/civil partner may be considered on a case-by-case basis **but do not order a car without checking first** - any other drivers listed on the insurance (not partner/spouse) will only be covered for social, domestic and pleasure use.
- Unlimited cover for audio and navigation equipment that is permanently fixed to your car and has no independent power source.
- Personal belongings in your car up to £350.
- Replacement locks (see full policy wording for details).
- Emergency medical treatment, and medical expenses up to £350 per person.
- Accident transport/vehicle recovery;
- Child car seat cover, up to £100 per seat.
- Free extended use of your car in the EU, up to a period of 60 days.
- A courtesy car for the duration of repairs, if in the event of an accident the repair is undertaken by an approved Aviva repairer, and for up to 14 days or until a settlement offer is agreed (whichever is earlier) if the car is stolen and not recovered or is declared a total loss.

What are the policy excesses?

The following excesses are applied:

- Accidental damage excess £250.
- Accidental damage excess £250, subject to an additional excess of:
 - £300 for drivers aged 18 to 20; or
 - £200 for drivers aged 21 to 24.
- Fire, theft and malicious damage excess £250.
- Replacement windscreen excess £75. No excess if the windscreen is repaired.

Are there any age restrictions?

Yes. The cars available are subject to the following age-related insurance restrictions:

- Age 18 to 20: Insurance group 1 to 23
- Age 21 to 24: Insurance group 1 to 40
- Age 25+: Insurance group 1 to 50

How many additional drivers can I add to the policy?

You may add up to 2 additional drivers aged between 18 and 75 to the policy for your Scheme car. As all motor insurance policies include restrictions and eligibility criteria, you should contact Lloyd Latchford on 01844 276 498 to find out whether any restrictions apply to any of your additional driver(s).

Please note that during the salary sacrifice quotation process an insurance quote will not be provided if you or one of your additional drivers is ineligible for insurance on your chosen car.

Can I add an additional driver during the contract term?

Yes. As long as any additional drivers meet the eligibility criteria they may be added to the policy by contacting Lloyd Latchford on 01844 275555. Please note any additional premium must be paid directly to Lloyd Latchford and cannot be included in your monthly salary sacrifice.

Why may I need to complete the driving licence compliance form?

It will not be possible to obtain motor insurance unless the insurer is confident of being informed of any adverse change to the validity of your driving licence and/or the number of convictions in force.

Is replacement or repair of my windscreen and windows included within the insurance cover?

Yes. To organise a repair please contact Lloyd Latchford on 01844 275555.

How can I obtain a copy of the insurance certificate?

A certificate should be forwarded to you by Lloyd Latchford, but please contact them on 01844 275555 to request a copy if you do not receive your certificate within a few days of your car being delivered.

Do I maintain my "no claims" discount if I enter the Scheme?

Yes. Your 'no claims' status will not be affected by entering the Scheme because the insurance is provided as part of a corporate policy. This means however that you will not earn any additional 'no claims' years during the contract term.

Will my “no claims” history be reflected in the insurance premium?

No. The insurance premium included within your gross salary sacrifice is net rated, so it does not take your no claims bonus into account. The premium for the car you select is calculated only by reference to the age of the youngest named driver, where your car will be kept overnight and the term of your salary sacrifice agreement.

What do I do in the event of an accident or theft?

Once you have assured your own safety, and that of any passengers, and have contacted the emergency services if appropriate, please use the e-Fleet app to contact the designated accident management team who will manage the incident on your behalf, and hopefully get you back on the road again as quickly as possible.

What should I do if I have received an endorsable motoring offence?

You must notify Lloyd Latchford on 01844 275555 if you or any named driver receives an endorsable motoring offence. If the offence means you or the nominated driver no longer meet the eligibility criteria Lloyd Latchford will outline the options available to you and confirm any additional charges payable.

If your insurance cover cannot be maintained your salary sacrifice agreement will be terminated. Please refer to the section entitled **End of contract or early termination** for further information about early termination charges.

What happens if the car is a write-off or stolen and not recovered?

In either of these circumstances, your salary sacrifice will continue until such time as the insurance claim has been settled at which point it will be terminated. If the insurance settlement is not sufficient to fully reimburse the lender's losses the shortfall may be recharged to your employer as an early termination charge, which your employer may then recharge to you via a deduction from your net pay or via invoice if you have left employment, unless your employer exercises its discretion to waive some or all of the charge.

In the event of your car being declared a write-off or stolen and not recovered a courtesy car will be provided for up to 14 days or until a settlement is offered and agreed, whichever is the earlier.

Further information about early termination charges and how you may purchase your car may be found in the section entitled **End of contract or early termination**.

What are my options if I'm disqualified from driving?

You should contact Lloyd Latchford on 01844 275555 to confirm your disqualification. Your insurance cover can be maintained by removing you from the policy and nominating a new main driver. This may incur an additional one-off charge payable direct to Lloyd Latchford.

If your insurance cover cannot be maintained your salary sacrifice agreement will be terminated. Please refer to the section entitled **End of contract or early termination** for further information about early termination charges.

Am I insured to take my car abroad?

The policy insures the car, including breakdown cover, for up to a period of 60 days within the EU. To obtain the relevant documentation please contact the lender using the 'Useful numbers' section of your provider's e-Fleet app.

Can I insure a car if I live in Northern Ireland?

Yes. The insurance policy applies to Northern Ireland as well as Great Britain.

Does the insurance cover business use?

Yes. You will be covered for any business use of the car. This cover may also be included for additional drivers who are the spouse or partner of the main driver by contacting Lloyd Latchford on 01844 275555.

Appendix 1

Early Termination	>3 months or more salary reductions	<3 months salary reduction
Career Break	3 months (gross salary sacrifice or 50% Early Termination, whichever is lower)	Standard Early Termination (50%)
International secondment / transfer	3 months (gross salary sacrifice or 50% Early Termination, whichever is lower)	Standard Early Termination (50%)
Long term sickness (unable to work)	Nothing to pay	Nothing to pay
Loss of licence (other than ill health)	3 months (gross salary sacrifice or 50% Early Termination, whichever is lower)	Standard Early Termination (50%)
Loss of licence (due to medical reasons / death)	Nothing to pay	Nothing to pay
Reduction of contracted hours	3 months (gross salary sacrifice or 50% Early Termination, whichever is lower)	Standard Early Termination (50%)
Redundancy	3 months (gross salary sacrifice or 50% Early Termination, whichever is lower)	Standard Early Termination (50%)
Retirement	3 months (gross salary sacrifice or 50% Early Termination, whichever is lower)	Standard Early Termination (50%)
Termination of employment (resignation or dismissal)	3 months (gross salary sacrifice or 50% Early Termination, whichever is lower)	Standard Early Termination (50%)
Option to retain the vehicle	>6 months or more salary reductions	<6 months salary reduction
Parental leave	3 months (gross salary sacrifice or reduction covered up to 12 months or end of term)	6 months (gross salary sacrifice less any salary reductions already made or reduction covered up to 12 months (or end of term))

Disclaimer

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