

SALARY SACRIFICE CAR LEASING PROCEDURE

PROCEDURE REFERENCE NUMBER	FP09/15
VERSION NUMBER	3
KEY CHANGES FROM PREVIOUS VERSION	3 year review: Updates have been made to reflect a more automated process that has been rolled out over recent months and latest guidance around tax implications, driving licence checks and taking the vehicle abroad. The contract has also been updated, with changes including further clarity around termination due to disciplinary action (including sickness) following several bad debt writes off in respect of this, a slight increase in the excess, and the staffs responsibility in the event of an accident and parking fines.
AUTHOR	Head of Financial Accounts
CONSULTATION GROUPS	Audit Committee Senior Finance Staff
IMPLEMENTATION DATE	April 2017
AMENDMENT DATE(S)	April 2017, August 2018, January 2018, January 2021
LAST REVIEW DATE	January 2021
NEXT REVIEW DATE	January 2024
APPROVAL BY AUDIT COMMITTEE	15 th January 2021
RATIFICATION BY	N/A
COPYRIGHT	2017-2021
POLICY SUMMARY	
Process for applying for a salary sacrifice car.	
The Trust Monitors the implementation of and compliance with this policy in the following ways:	
Internal Audit	

Services	Applicable	Comments
Trustwide	✓	

**The Director responsible for monitoring and reviewing this policy is
Executive Chief Finance Officer**

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1.0 INTRODUCTION

- 1.1 The purpose of this document is to clarify the procedure to be followed for leasing a vehicle within the Trust.
- 1.2 For the avoidance of doubt, this procedure refers to a number of key staff within the Finance Department for the completion of a range of tasks. In the absence of these staff, the tasks will be undertaken by covering members of staff. In the event there is no suitable staff to cover the identified task, the tasks will be referred to either the Deputy Chief Finance Officer or the Head of Financial Accounts / Financial Management.
- 1.3 The Trust is regulated and monitored Financial Conduct Authority (FCA) Firm Reference No 707299.

2.0 PROCEDURE AND APPROVAL PROCESS FOR LEASING A VEHICLE

- 2.1 All employees on a permanent EPUT contract are eligible for a salary sacrifice lease car. This excludes Fixed Term, agency staff and bank staff.
- 2.2 Once the application (appendix 1), drivers declaration (appendix 2) and driving licence information fair processing declaration form [D906, DVLA] (appendix 3) have been returned, together with a copy of the driving licence and a copy of a current pay slip, a quotation can be undertaken by the Car Leasing Department subject to a satisfactory driving licence check.
- 2.3 A minimum of 3 competitive quotes must be obtained from leasing companies that are listed on the NHS approval list. The individual will then be informed of the requested quotes by the Car Leasing Department.
- 2.4 Once the individual has decided on the car they wish to lease, they must sign the quotation of the vehicle they wish to proceed with and return to the car leasing department.
- 2.5 Upon receipt of the signed quotation a contract will be issued to the employee for order verification and acceptance of the Trusts terms and conditions (appendix 4) subject to a 14 day 'right to cancel' period under the credit consumer act.
- 2.6 If the vehicle is delivered to the Car Leasing Department the Car Leasing Assistant will check the vehicle in accordance with the order. No car will be accepted if any defects are found and the leasing company will be advised accordingly. Once the department has accepted the car, the member of staff is to be advised that it is available for collection. Upon collection of the vehicle by the member of staff, the lease car team will complete a handover check.

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If the vehicle is delivered to the driver's home address they must check the vehicle in accordance to their contract. They must not accept the vehicle if there are any defects and contact the Car Leasing Department to make them aware. If the vehicle is as expected the driver can accept the vehicle and the delivery driver will be able to do a handover with the driver.

- 2.7 The lease agreement will run for a minimum of 3 years, and if terminated sooner a charge will be payable by the individual, dependent on the remaining leasing period. This is detailed in the individuals lease car contract.
- 2.8 A notification of salary deduction form (appendix 5) should then be completed by the Lease Car Department and sent to Payroll in order for deductions to be made from the individual's salary.
- 2.9 The Lease Car Department will notify the Inland Revenue that the individual has a lease vehicle, on form P46, within 7 days of the vehicle collection. (This is for new vehicles only).
- 2.10 Upon collection of your lease vehicle you should also call the HMRC helpline to advise them of your vehicle details to ensure your tax code is amended to reflect the correct Benefit-In-Kind (BIK) tax.

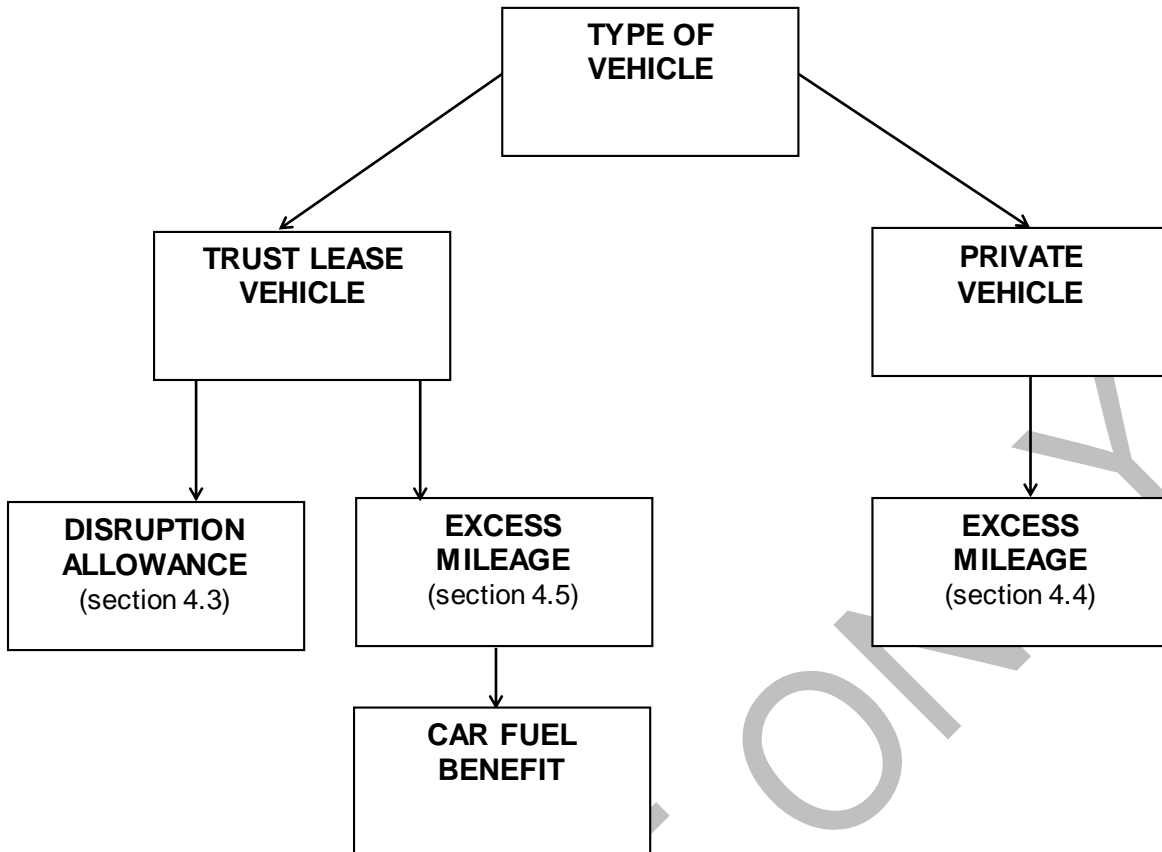
3.0 PROCEDURE IN THE EVENT OF AN ACCIDENT

- 3.1 In the event of an accident/claim staff should contact the insurance providers. Details of the Trusts current insurance provider will be provided upon handover of the Trust vehicle (or sent to the driver on email along with the fair wear and tear guide), and then annually available on the Trust intranet.
- 3.2 Accidents must be reported to the insurer **immediately** without delay. Any delay reporting and accident can result in claim not being paid by the insurer.
- 3.3 A courtesy car will be provided while the vehicle is off the road. Courtesy cars are subject to the repair centres availability and are not like for like.
- 3.4 If a courtesy car is not provided by the repair centre the Lease Car team will provide a pool car subject to availability from Thurrock site.

4.0 EXCESS MILEAGE & DISRUPTION ALLOWANCE

- 4.1 In the event that the Trust requires an employee to move to another work base, either on a permanent or temporary basis, the Trust allows the employee to be reimbursed for the additional travel required, for a maximum period of four years.
- 4.2 The type of travel allowance available depends on whether the employee has a private vehicle or a Trust lease vehicle. If the individual has a Trust lease vehicle, then they are required to make an personal decision as to whether to receive disruption allowance or excess mileage.

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4.3 Disruption Allowance

4.3.1 Disruption Allowance is calculated based on the additional travel time to work resulting from a change in work base, at a rate of 12p per minute.

4.3.2 The disruption time for each individual will be based on the expected journey time by road from home to the new work base, less the journey time by road from home to the previous work base.

4.3.3 The number of travel days per year will be based on the assumptions below and pro-rated for part-time and flexi-time workers.

Number of week days	260	
Less annual leave	(27)	
Less public holidays	(8)	(subject to confirmation each year)
Number of days	225	

4.3.4 Disruption allowance settlements will be made via Payroll in 12 equal monthly instalments, and will be capped at a maximum of £10,000.

4.3.5 The Disruption Allowance Application Form (appendix 6) should be completed and sent to the Car Leasing department for liaison with the finance department.

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4.4 Excess Mileage (for PRIVATE VEHICLES)

4.4.1 Excess Mileage is calculated based on the additional distance travelled to work resulting from a change in work base, at the appropriate Agenda for Change rate.

4.4.2 This should be claimed following the normal e-expenses procedure via Employee Online.

4.5 Excess Mileage (for TRUST LEASE VEHICLES)

4.5.1 Excess Mileage is calculated based on the additional distance travelled to work resulting from a change in work base, at a rate of 15p per mile.

4.5.2 This should be claimed following the normal e-expenses procedure via Employee Online.

4.5.3 HMRC deems any excess mileage claimed by company lease car users to be private mileage. Therefore any reimbursement received by the individual results in a Fuel Benefit tax.

4.5.4 The link below provides access to a HMRC Company Car and Car Fuel Benefit Calculator to calculate the amount of additional tax that will become due.

<https://www.gov.uk/calculate-tax-on-company-cars>

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