

Salary Sacrifice Car Scheme



Liquid
FLEET

A cost-effective way to switch to electric driving.

What is Salary Sacrifice?

Salary sacrifice is a scheme that allows employees to allocate a portion of their pre-tax and National Insurance income to pay for a brand-new leased vehicle. By doing so, drivers can lower Income Tax and National Insurance contributions, making this a cost-effective alternative to personally leasing the same vehicle.

The savings are even more substantial when you choose to lease a full **electric vehicle.**



If you're earning £37,000...

Here's an example based on an average 20% taxpayer.

Your monthly salary looks like this:

Monthly Gross Income	£3,083.33
National Insurance	£162.87
Tax	£407.17
Tax Home Pay	£2,513.29

With a Salary Sacrifice car, it looks like this:

Monthly Gross Income	£3,083.33
National Insurance	£120.96
Tax	£302.41
Salary Sacrifice	£523.80
Tax Home Pay	£2,136.59



The difference in take home is £376.70, which covers the cost of a KIA EV3 excluding insurance.

Estimated monthly savings are for indicative purposes only.

If you're earning £58,000...

Here's an example based on an average 40% taxpayer.

Your monthly salary looks like this:

Monthly Gross Income	£4,833.33
National Insurance	£264.22
Tax	£886
Tax Home Pay	£3,683.11

With a Salary Sacrifice car, it looks like this:

Monthly Gross Income	£4,833.33
National Insurance	£248.74
Tax	£621.85
Salary Sacrifice	£676.60
Tax Home Pay	£3,286.14

An added advantage: Earners between £50,001 up to £58,000 will benefit from a reduced 20% tax rate when choosing salary sacrifice.



The difference in take home is £396.97 which covers the cost of a KIA EV3 including insurance.

Estimated monthly savings are for indicative purposes only.

Your monthly salary deduction can include all of this...

Here's what's included:

- A brand-new leased vehicle of your choice
- Fully comprehensive motor insurance*
- 24/7 Roadside assistance for breakdowns
- Road fund licence
- Full ownership of a professional installed electric vehicle home charging point can be arranged

*Exclusions apply

Plus, you'll enjoy:

- Significant cost savings compared to retail options
- Typical savings of 30–40% on Tax and National Insurance
- Low Benefit in Kind (BIK) rates when choosing a pure electric vehicle
- No large upfront deposit
- No employee credit check required

Speak with our team today about installing the UK's highest-rated home EV charger from our official supplier!

Why choose electric?

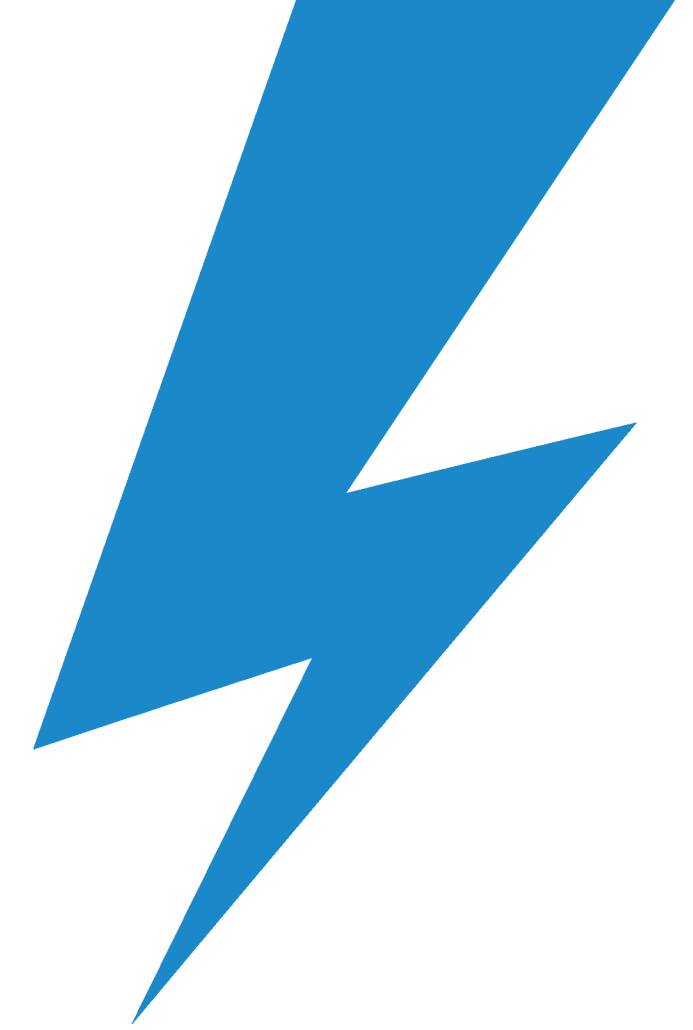
Switching to an electric vehicle not only simplifies your transition from petrol or diesel but also maximizes the benefits of salary sacrifice, offering:



- Full ownership of a professionally installed home charging point can be arranged!
- Low Benefit in Kind (BIK) rates, currently just 2% for fully electric vehicles

Additional advantages include:

- Free parking in certain cities
- Reduced running costs
- Compliance with ULEZ regulations and exemption from congestion charges (subject to application)



How it works

Once your employer sets up and rolls out the scheme, it's all very straightforward...

1

Choose your vehicle

Liquid Fleet provides a wide selection of makes and models. Speak with our team to find the perfect fit for your needs!



2

Decide your contract length and mileage allowance



3

Receive your quote and calculated savings



4

Sign your Salary Sacrifice agreement and Vehicle Order Form



5

Take delivery of your new car

Your vehicle order is placed and estimated delivery date provided. Our friendly team will then reach out to secure a suitable date that works round your schedule



6

Salary deductions begin!



Similar to the Cycle to Work scheme, monthly payments are deducted before tax and National Insurance, leading to significant savings. Employees opting for an electric vehicle will benefit from a low 2% Benefit-in-Kind (BIK) tax, fixed until 2025, with a gradual increase of 1% per year until 2028.

Why choose Liquid Fleet?



At Liquid Fleet, we take pride in helping organisations provide their employees with greener vehicle options, reducing environmental impact and supporting a more sustainable future.

Our Salary Sacrifice scheme gives employees access to affordable, fully insured vehicles for a fixed monthly cost, delivered as part of an employee benefits package. With a wide range of fuel types, pricing options, and vehicles from leading manufacturers, there's something to suit every need.

Significant Savings: Employees save thousands of pounds by paying before tax.

Effortless Payrolls Adjustments: We handle everything so employers can recoup costs directly through payroll.

Sustainability Made Simple: Employers and employees alike enjoy the benefits of going electric while reducing carbon footprints.

FAQs

Is the scheme compulsory?

No, participation in the scheme is entirely voluntary. It is available to all eligible employees who meet the following criteria:

- Your gross basic pay must remain above the applicable National Minimum Wage or National Living Wage after the salary sacrifice deduction
- You must have held a full UK or EU driving license for at least 12 months.
- You must be a permanent PAYE employee, employed for a minimum of six months, and have completed your probationary period.
- You must not have resigned, be at risk of redundancy, or be due to retire before or during the lease period
- You must not be on long-term absence due to illness or leave.
- You must meet the eligibility criteria of the vehicle insurer, such as requirements for age, claims history, and driving convictions.

Can I Withdraw from the Scheme and Return to My Original Salary?

Early termination fees will apply if you wish to end the lease before the agreed term. However, in certain situations, such as a life event (e.g., long-term illness or maternity leave), you may be able to withdraw without incurring the termination fee.

Is There a Limit to the Amount of Salary I Can Sacrifice?

Yes, your salary cannot be reduced to a level below the applicable National Minimum Wage or National Living Wage. Your employer may have additional restrictions, so it's best to confirm directly with them.

Do These Arrangements Impact Other Aspects of My Employment?

No, the only change to your employment terms will be the agreed reduction in gross salary and the provision of the associated benefit. All other terms and conditions of your employment will remain unchanged.

Where Can I Find More Information?

You can find detailed information about salary sacrifice arrangements on HMRC's website. Additionally, you may wish to seek external advice.

We understand you may have additional questions or concerns, which is why our team is always on hand to help.

If you'd like to discuss anything further, we're happy to arrange a meeting at your convenience to address any queries and provide clarity.

Get in touch

Find out if Liquid Fleet is the perfect fit for your organisation and explore our Car Benefit Scheme.

01952 691025

sales@liquidfleet.com

Liquid
FLEET



Find Out More

 www.liquidfleet.com/salary-sacrifice