



Sustainability through salary sacrifice cars: A valued benefit for employees

8 July 2015, 12:00-13:00

Speakers:

Alison Argall, Business Development Director, Tusker

Cheryl Clements, Business Development Manager, Tusker

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Tusker.

EAUC WEBINAR

—
8th July 2015



INTRODUCTIONS



Welcome to Tusker



Alison Argall

Business Development Director



Cheryl Clements

Senior Business Development
Manager

WHO ARE TUSKER



Salary Sacrifice car scheme specialists



Market leaders



220 schemes



500,000 eligible employees



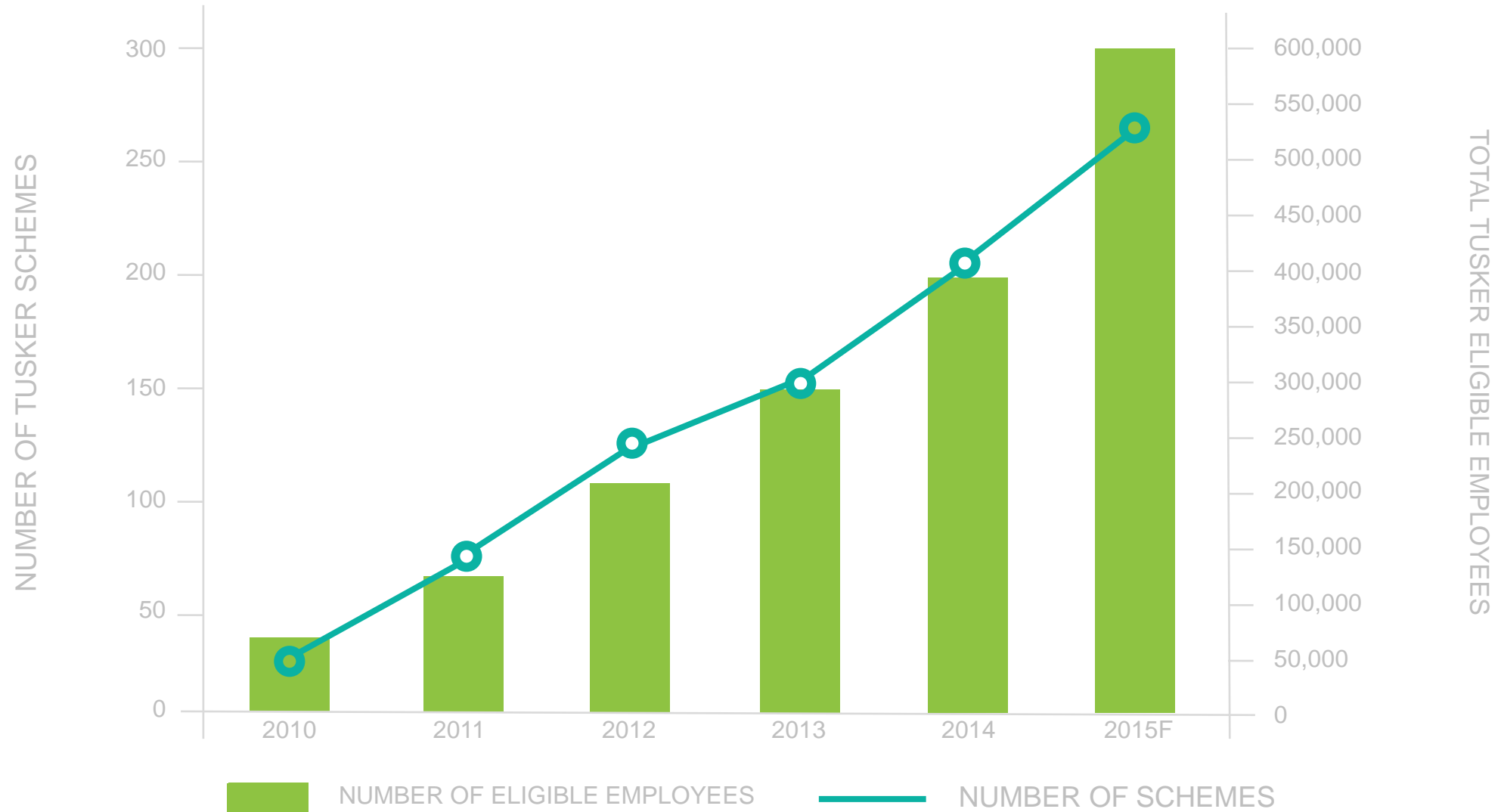
Growth over 3 years



Market share of 33% eligible employees

TUSKER HAS BEEN THE DRIVING FORCE IN THE MARKET FOR CAR SALARY SACRIFICE

Tusker's growth in schemes and eligible employees



THE MYTHS



Administration



HMRC
Tax Rules / CCA



Scheme
Implementation



Take Up



Communication



Value

OUR CUSTOMER BASE



They are a lovely crew to deal with. They are really helpful and supportive of me. For example, I recently asked for a list of all our contracts and I got it very quickly which is key when our resources are being increasingly stretched.

- Public Sector Customer



**METROPOLITAN
POLICE**

Tusker have done all the work in terms of promoting the scheme formally. We might suggest a good time or location for a roadshow, but they do the rest.

- Public Sector Customer

Southend University Hospital **NHS**
NHS Foundation Trust

James Paget University Hospitals **NHS**
NHS Foundation Trust

We have had no problems with Tusker so far really. Unfortunately I can't say the same for some of the other providers in the benefits suite.

- Private Sector Customer

Aston University
Birmingham

Calderdale
Council

SUSTAINABILITY THROUGH INNOVATION



Environmental benefits

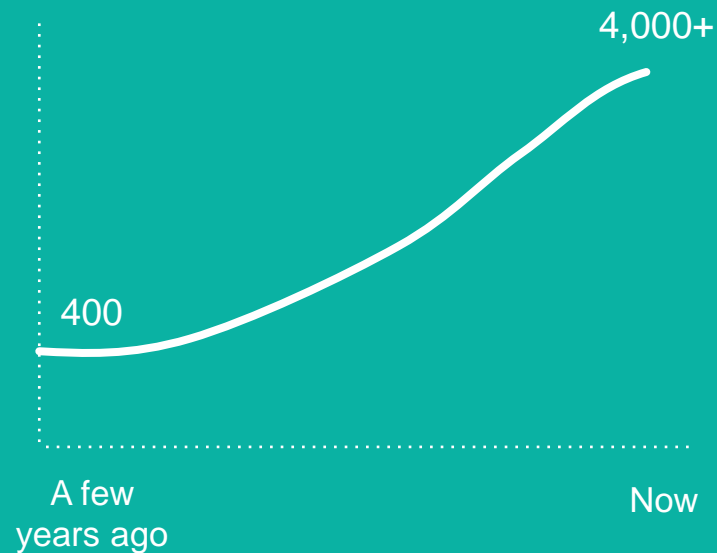


NOW AND THE FUTURE

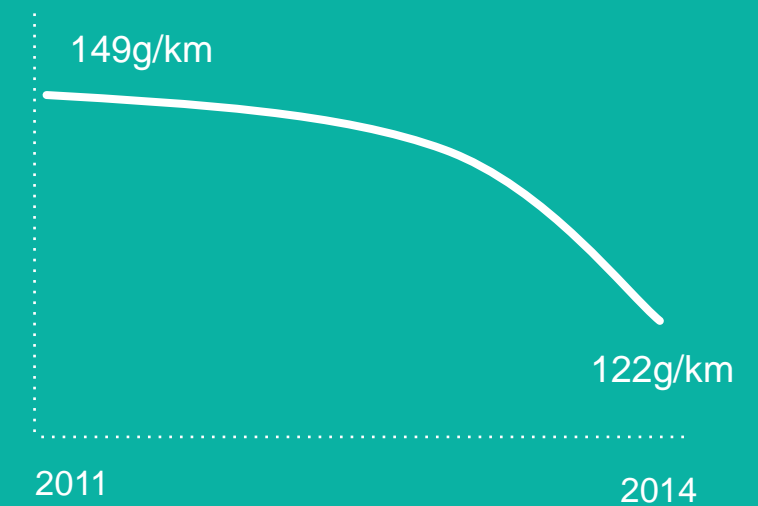
It's all about CO₂ and efficiency!



Not that long ago there were only about 400 cars sub 120g/km CO₂! Now there are over 4,000 models.



The average CO₂ three years ago was 149g/km. Now it's 122g/km!



SALARY SACRIFICE



EMPLOYER BENEFITS:



Reward, retain and motivate employees



Average of £275 per annum net savings per employee



Fully outsourced scheme management



Risk mitigation



Meets your green agenda

SALARY SACRIFICE

EMPLOYEE BENEFITS:



Average savings of £80 per month through tax and NI



On average £500 per annum saving in fuel cost



Protection against some of life's unexpected events



First class customer service

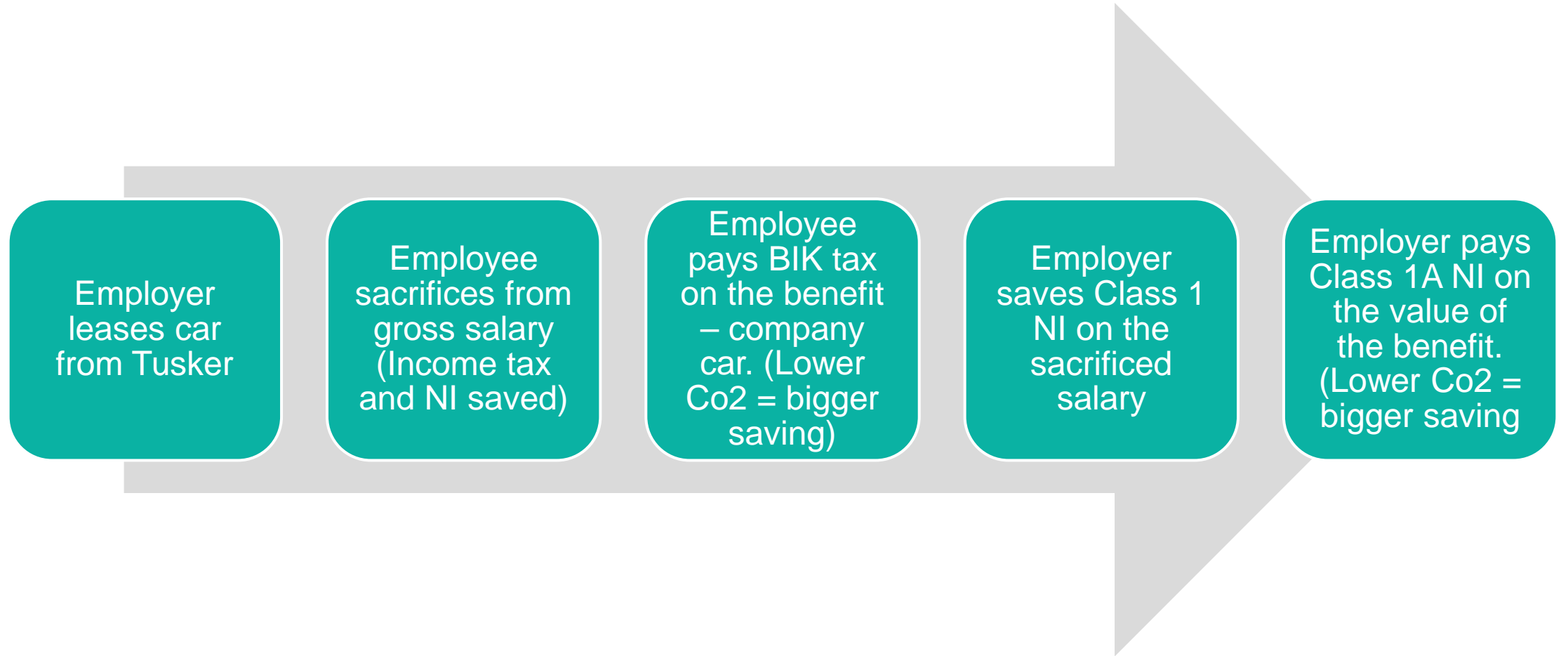


Retail feel online website



Fully inclusive package for a fixed monthly amount

HOW DOES IT WORK?



WHAT'S INCLUDED?



Maintenance & servicing including all tyres



European Breakdown & Recovery



Annual Road Fund Licence



Accident Management



Fully comp motor insurance.
Business cover.
GAP



Annual driver licence check

**A SALARY
SACRIFICE CAR**

EMPLOYER SAVINGS EXAMPLE

Average P11D	£17,000
Vehicle scale rate	15%
Average gross salary sacrifice	£380 per month
Class 1a per month	£29.32 per month
Class 1 NI saving	£52.44 per month
Net saving per month	£23.12
Net saving per annum	£277.44 per annum

Saving per 3,000 eligible employees at 2% engagement
£16,646 per annum = £99,878 after 3 years

EMPLOYEE SAVINGS EXAMPLE

	Average gross sacrifice of £380 20% tax payer	Average gross sacrifice of £380 40% tax payer
P11D value	£17,000	£17,000
Vehicle scale charge	15%	15%
Tax avoided	£76	£152
NI avoided	£45.60	£7.60
Tax on BIK	-£42.50	-£85
Net monthly cost	£300.90	£305.40
Monthly Saving	£79.10	£74.60
Annual Saving	£949.20	£895.20

EMPLOYER SAVINGS EXAMPLE

BMW i3 Hatch 5Dr 0.0Electric 170 EU6 eDrive Auto

Average P11D	£31,455
Vehicle scale rate	5%
Gross salary sacrifice	£478.65 per month
Class 1a per month	£18.09 per month
Class 1 NI saving	£66.05 per month
Net saving per month	£47.93 per month
Net saving per annum	£575.16 per annum

EMPLOYEE SAVINGS EXAMPLE

BMW i3 Hatch 5Dr 0.0Electric 170 EU6 eDrive Auto

	Gross sacrifice of £478.65 20% tax payer	Gross sacrifice of £478.65 40% tax payer
P11D value	£31,455	£31,455
Vehicle scale charge	5%	5%
Tax avoided	£95.73	£191.46
NI avoided	£57.44	£9.57
Tax on BIK	-£26.21	-£52.42
Net monthly cost	£351.69	£330.04
Monthly Saving	£126.96	£148.61
Annual Saving	£1,523.52	£1,783.32

EARLY TERMINATION PROTECTION

Protection to mitigate any costs arising from resignation, redundancy, maternity, paternity, adoption and long term sickness

1

Full protection of
ET costs – No
limits or caps

2

Employee and
employer
protected

3

Typically 6 month
exclusion period

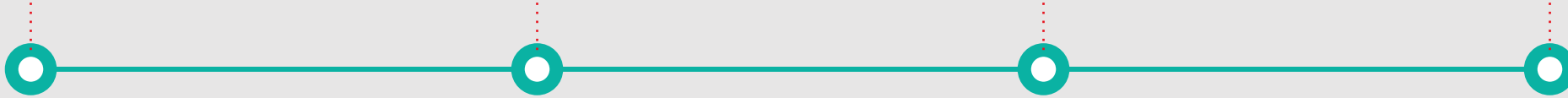
IMPLEMENTATION PROCESS

12 week process

Highly skilled implementation team

Project managed

Excellent communication



Initial meeting (on site)

Attendees to include: Project Leader & representatives for Payroll, HR, Marketing & Legal

Scheme design, system integration and reporting

Agree scheme processes & key touch points



Paperwork

Tusker to complete Scoping Doc to include scheme requirements

Client to review & agree to Master Contract Hire Agreement

Client to approve employee agreement docs (salary sacrifice agreement, FAQs & scheme policy)



Weekly conference calls or on site meetings

Provide an update on scheme progress

Update on action points, questions & identification of any critical barriers

Agree marketing plan & scheme awareness for Tusker to implement



Final meeting (if appropriate)

Finalise scheme communications

Project Plan update

MINIMAL, SIMPLE ADMINISTRATION



DRIVER JOURNEY

Tusker.

SalarySacrifice4Cars Driver Centre

Customer Support : 0871 995 5300

Maintenance : 0871 995 5350

[Live help online](#)

[Home](#) | [Showroom](#) | [My Car](#) | [My Offers](#) | [Scheme Policy](#) | [About the Scheme](#) | [FAQs](#) | [Contact Us](#)

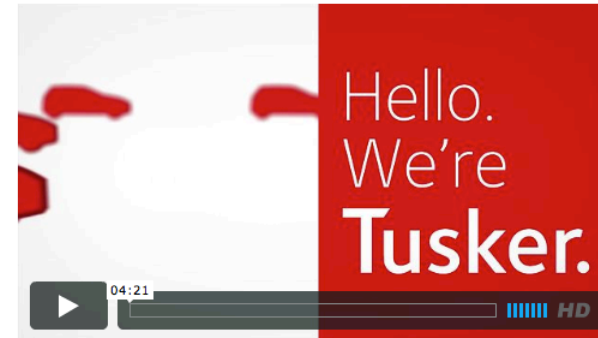
Welcome Veronica

Fancy driving away a brand new, fully maintained and insured car for a fixed monthly amount? Then you've come to the right place. This fantastic employee benefit allows you to sacrifice a portion of your gross salary in exchange for a car of your choice.

Because the scheme is structured through your employer you'll get substantial corporate discounts on the car plus bundled extras, and make significant tax and NI savings. The cost of running a car is rising all the time, so there's no better way to drive a brand new car than with a salary sacrifice car scheme. Employee benefits never looked so good!

[Search for a car](#)

[Sign up for offers](#)



Benefits of the Scheme

Tax savings and lots more benefits too.
[Click here to read more about the fantastic scheme benefits...](#)



My Special Offers

Want to save even more?
[Click here for our special offers to add even more value to your deal.](#)



Frequently Asked Questions

Many people have questions or queries as they explore Salary Sacrifice
[Click here to read FAQs about the scheme.](#)



"The Tusker Salary Sacrifice scheme is fantastic. Its simplicity is its virtue as everything is dealt with by Tusker so that I barely have to lift a finger. It's one more thing that I don't have to worry about."

EMPLOYEE AND DRIVER SUPPORT



Devoted team
accessed through
dedicated support
line, email inbox
and live chat



Additional support for
employees through
our engagement
team to guide and
help employees
through the decision
making and order
process



A branded website
will make your
employees and
drivers feel like they
are dealing with an
in-house team

IN-LIFE SERVICES MANAGEMENT



24/7



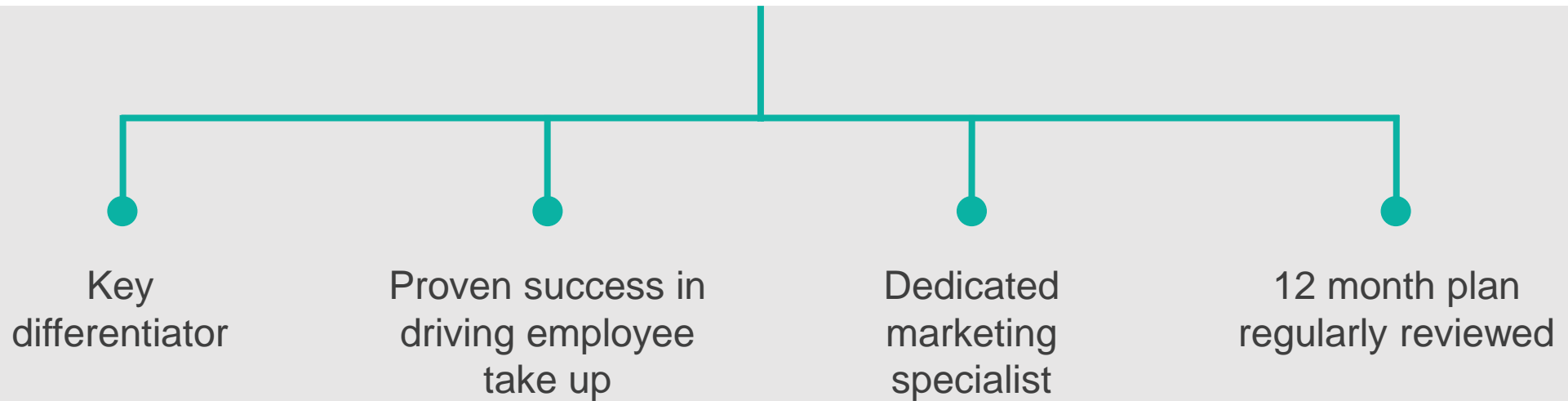
- Utilise Tusker Fleet network
- One number to access all in life services
- Bespoke CRM system designed to optimise driver management
- Proactive over and under mileage management
- Drivers can book all services online – (mobile app coming soon)
- 7,165 service points across the UK
- Delivery & collection / courtesy cars
- Maintenance support for technical issues
- Kwik Fit network for no-quibble tyre repair/replacement

EMPLOYEE COMMUNICATIONS

Exciting and engaging employee communications designed to maximise all existing available comms channels

The most successful comms channels are through benefits sites (such as Benefit Provider site) word of mouth, email, roadshows and payslip attachments

ONGOING COMMS SUPPORT



INNOVATIVE ENGAGEMENT

Culture of continuous improvement



KEY STATISTICS

48%

of employers
looking to
implement the
scheme in the
near future

Salary Sacrifice cars
is now one of the
fastest growing
employee benefits

Helping
70%

own a new car for
the first time

Salary Sacrifice cars
will contribute to

10%

of the new car market
by 2025

Employers can save an
average of

£277 net

per employee per year
through NI contributions

Tusker has a
market share
of around

33%

CASE STUDY – ASTON UNIVERSITY

At the end of 2010, Aston University signed a 'salary conversion' arrangement with Tusker to allow their university employees to surrender up to 20% of their salary in return for a new car for up to three years.

The new scheme was believed to be the first salary sacrifice initiative of its kind with a university in the UK, and forms part of Aston's Flexible Benefits Scheme which also covers pension contributions and bicycles amongst a number of other benefits.

As well as setting a financial limit, the University also set a carbon cap on the new arrangement, allowing employees to only select vehicles with emissions of 120g/km or less.

University Vice-Chancellor, Professor Julia King, who was appointed the UK's Low Carbon Business Ambassador by the Prime Minister in November last year and is author of the 2007 'King Review' on green vehicle and fuel technologies, gave the scheme her full backing because of its environmental credentials in promoting low carbon emitting vehicles.

Aston University launched the new scheme to university staff at a special employee benefits exhibition which was very well received and at which some 10% of staff registered an interest in taking part in the Tusker scheme.

Aston staff benefit from lower income tax and National Insurance Contributions as a result of selecting a new car under the scheme, although they do have to pay Benefit-in-Kind tax on the value of the benefit, albeit at a much lower rate than income tax and NIC combined.

ASTON UNIVERSITY SAVINGS AND RESULTS



Average
fleet CO₂ of
114g/km

ASTON UNIVERSITY EMPLOYEES



£91.35
average saving
across their scheme

“The scheme is one of a number of initiatives we have embarked on to encourage the uptake of green practices within the university.

There was a very positive reaction amongst university staff at the benefits exhibition to the car scheme, including our Vice-Chancellor Julia King, who thought it a very suitable scheme for promoting the uptake of greener cars.”

**Cliff Vidgeon, Director of
Human Resources at Aston**

Tusker.

ANY QUESTIONS?

