

An Employers Guide to Salary Sacrifice



Tomorrow. Together

34% of new employees change roles for better salary or benefits



Company employees

1,000



Retained employees

150

Average employee churn of 15%



Potential annual saving

= £4M

Research shows that replacing a salaried employee typically costs the equivalent of six to nine months' salary. This includes agency and advertising costs, managing the interview process, and a loss of productivity whilst the new recruit gets up to speed. Based on the UK national average of just over £36K for a full-time employee, that's a staggering £27,000 every time you recruit.

£27,000

Average recruitment costs per employee

Why not offer an Electric Vehicle (EV) Salary Sacrifice scheme that attracts and retains the best talent, while reducing carbon footprint and the cost of motoring?

As an employer, you can help your employees to reduce their monthly outgoings by allowing them to choose a brand new ultra-low emission vehicle (sub 50g/km or pure battery electric) which can be paid for through a gross salary deduction.

From April 2022, drivers choosing an EV will pay only 2% Benefit In Kind (BIK) tax which will remain fixed until 2025. This means EV Salary Sacrifice is one of the most cost effective ways to get employees into a brand new eclectic car, for less.

A motivating benefit for your employees

It works like this:

This means that:

1 Exchange part of their salary for a brand new car

They pay less National Insurance Contributions

2 Part of their income tax is replaced with lower Benefit in Kind tax

All costs are fixed for the entire duration of the contract

3 The salary sacrificed is used to fund a brand new car

There are no unexpected bills because each contract includes maintenance, insurance and road tax

Greener cars deliver the biggest savings

Choosing an Ultra Low Emission Vehicle (ULEV) means more than just low emissions, it also delivers the biggest financial savings.

It is a case of greener means leaner because there is less tax to pay, lower running costs and a significant reduction in carbon footprint.

How well does Salary Sacrifice add up?

	Salary Sacrifice	Personal Contract Hire
Brand-new car?	●	●
Equal monthly rentals?	●	●
Vehicle Excise Duty ('Road Tax') included?	●	●
Comprehensive breakdown cover included?	●	●
Comprehensive insurance included?	●	●
Option to purchase at the end of the contract?	●	●
Tyre damage included?	●	●
No credit check?	●	●
Zero upfront costs?	●	●

On Salary Sacrifice this Mini looks like this...

Gross Salary Sacrifice: £465.31 pm
 Tax & NI Saving: -£148.90 pm
 Benefit in Kind Tax: £ 7.90 pm

Net cost to employee: **£324.31**

On Personal Lease this Mini looks like this...

Rental: £401.62 pm
 Maintenance: £ 16.60 pm
 Insurance: £ 83.33 pm

Net cost to employee: **£501.55**



Mini Hatchback 135kW
 Cooper S Level 1 33kWh 3dr
 Auto Hatchback

Over the 3 year term, Salary Sacrifice could save you

£6,380

Illustrated price is a Salary Sacrifice contract hire over 36 months based on 20% employee tax rate, £1000 insurance per annum for comparison only, 10,000 miles per annum and 2% National Insurance. Benefit In Kind tax rate is based on cars registered after April 2022.
 Illustrated price is a Personal Lease contract hire over 36 months based on £1000 insurance per annum for comparison only, 10,000 miles per annum

What are the **benefits** of Salary Sacrifice?

Employees get:

- ✓ A fully electric car for a lot less money
- ✓ Discounts rarely found on the high street
- ✓ No unexpected bills
- ✓ Protection against inflation for up to three years
- ✓ All-inclusive motoring – just charge up and drive

Employers get:

- ✓ Lower corporate carbon footprint
- ✓ Motivated employees who are easier to retain
- ✓ Lower National Insurance Contributions
- ✓ No cost employee benefit package



Lets talk?

To find out more about how we can help your business reduce costs, better manage risks or improve operational efficiency, call 0344 375 5501 or visit www.NovunaVehicleSolutions.co.uk