

Electric Car Salary Sacrifice: Insights from 250 HR professionals

electriccarscheme.com



MESSAGE FROM OUR CO-FOUNDER & CEO



As we approach the year-end, consider our electric car salary sacrifice scheme as a great way to boost employee benefits just in time for the new year.

As an HR Director, you know the importance of offering attractive perks, but many can be costly and lack a guaranteed return. Our Electric Car Scheme is a fantastic, cost-free option with comprehensive risk protection – a win-win for both your business and employees!

We recently conducted a survey with 250 HR Directors, exploring their thoughts on salary sacrifice for electric cars. The results revealed that 83% of companies plan to offer an electric car salary sacrifice scheme in 2024. However, it also exposed concerns about the cost and risk of implementing the scheme, along with several misconceptions.

In our HR Guide to Electric Car Salary Sacrifice, we address and dispel these myths. If you'd like to delve deeper into any of the information provided in this booklet, please feel free to visit our website at electriccarscheme.com and schedule a call with one of our Product Specialists.

Thank you for taking the time to read this guide. Wishing you a Merry Christmas and a Happy New Year!



Thom Groot
Co-Founder & CEO, The Electric Car Scheme

BUSTING MYTHS ABOUT EV SALARY SACRIFICE

While awareness of EV salary sacrifice schemes is high, there are a number of potential misconceptions which may be holding back uptake.

89% of directors believe it would cost them money to run an electric car scheme, as 90% believe there is significant risk to the company by having a scheme (i.e. if an employee leaves or is made redundant).

However, this is a misconception, as there is no direct cost to businesses to run an electric car scheme, and through The Electric Car Scheme, there is no risk to the company should an enrolled employee leave.

This perceived cost is key in the decisions of directors. When asked to rank the importance of four considerations when implementing an employee benefit, cost came out on top. This was followed by the benefit to the employee, the risk to the business and finally the effort it takes to set up.

78% of HR Directors are actively considering a scheme for their company in 2024

This indicates that next year could see a significant jump in the number of employees taking advantage of this generous benefit. This is good news for employees wishing to make the switch to reduce their carbon emissions and make the most of the generous tax incentives available.

A small group, just 22% of respondents, either weren't thinking about or chose not to go ahead with a salary sacrifice scheme. On the flip side, a large majority. 78% of HR managers are either thinking about it or have already started a scheme. This clearly shows the increasing popularity of salary sacrifice amongst UK businesses.

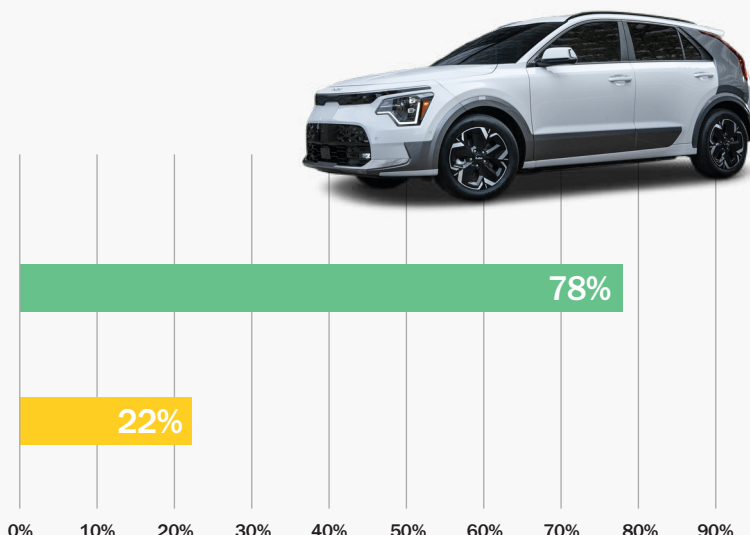
WHAT IS YOUR COMPANY'S CURRENT STANCE ON AN ELECTRIC CAR SALARY SCHEME?



It's actively being considered for our company or our company has already launched a scheme



It's not being considered for our company or it was considered for our company but didn't progress



MYTH BUSTING:

COMPANIES BELIEVE THERE ARE SIGNIFICANT RISKS WHEN IMPLEMENTING AN ELECTRIC CAR SCHEME

90%

Our survey says:

90% of HR Directors surveyed believe there is significant risk to the company

Some concerns raised in the survey include worries about potential financial obligations when employees resign, redundancy issues, and the need for payouts, with a projected 1 in 10 employees requiring compensation.

The reality is...

Companies signed up to The Electric Car Scheme are not at risk if an employee who's part of the scheme decides to leave. Complete Risk Protection lets employers help their employees get electric cars without the worry of facing major financial risks if those employees leave while they're still leasing the vehicle.



REASON FOR RETURN	WHAT'S PROTECTED?
Resignation	From 3 months
Redundancy	Yes, immediately
Dismissal	Yes, immediately
Parental leave	Yes, immediately
Long term sickness	Yes, immediately
Loss of licence (medical)	Yes, immediately
Death	Yes, immediately
Excess to pay for protection	None
Caps or limits of usage	None
If employee doesn't pay for ET fees or damage	Yes

The new Complete Risk Protection package provides reassurance that the employer is protected from day 1. If an employer has to make redundancies or dismiss an employee, they can do this at any time without facing a fee.

The Electric Car Scheme's Complete Risk Protection package also protects the employer from any shortfall due to employee resignation, long term sickness, family friendly leave. A new and unique feature even protects employers if the employee doesn't repay the company for damage to their car.

To find out more about Complete Risk Protection, visit our website at electriccarscheme.com/complete-risk-protection.

MYTH BUSTING:

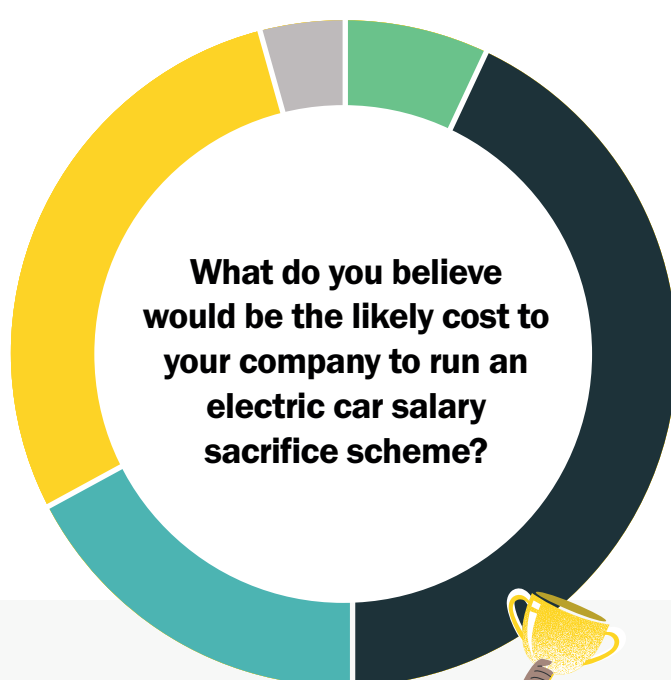
COMPANIES BELIEVE IT WOULD COST THEM MONEY TO RUN AN ELECTRIC CAR SCHEME

89%

Our survey says:

89% believe it would cost them money to run an electric car scheme

The survey also looked into what HR directors think about the costs of starting EV salary sacrifice schemes. This is important because high costs might stop companies from offering this benefit. The survey found that 89% of HR directors believe the scheme would cost the employer to some extent.



- 42% Likely to cost the employer £1,000 - £10,000 per year to launch and run the scheme
- 18% Likely to cost the employer more than £10,000 per year to launch and run the scheme
- 29% Likely to cost the employer but uncertain about the exact amount
- 7% No cost for the company to implement and run
- 4% I do not know

BUT HERE'S THE GOOD NEWS...

COST NEUTRAL MODEL

The Electric Car Scheme works on a cost-neutral model. There are no setup or running costs, and our fee is the same as your employer's tax savings. So, you can launch the scheme without spending any money for your business. This challenges the idea that offering such benefits is a financial burden.

We believe that Net zero choices should be affordable for all. With no setup or running costs, our fee is equivalent to your employer's tax savings, so you can roll out the scheme at no cost to your business.

Learn more on The Electric Car Scheme website here:

<https://www.electriccarscheme.com/companies/how-salary-sacrifice-works-for-companies>

MYTH BUSTING:

COMPANIES BELIEVE IT WOULD TAKE A CONSIDERABLE AMOUNT OF WORK INTERNALLY TO IMPLEMENT AN ELECTRIC CAR SCHEME

74%

Our survey says:

74% believe it would take a considerable amount of work internally

We asked HR directors about the effort needed to set up and run an EV salary sacrifice scheme in their companies. Most (74%) thought it would require a considerable amount of work to implement and manage the benefit effectively.



However, we discovered that many respondents overestimated the tasks they had to handle internally.

Our easy reporting services simplify things for HR and Finance teams - here's how we support your business:



Monthly company invoices



Draft HMRC notifications including P46 (car) and P11D forms



Straightforward payroll inputs



Monthly savings updates to employees



BIK, NI and VAT calculations



Annual sustainability reports

Additionally, our dedicated Customer Operations team provides support at every step of your salary sacrifice journey. With thousands of satisfied customers and an "Excellent - 5 stars" rating on Trustpilot, you can trust that you're in capable hands. Our experts guide you through your electric car salary sacrifice journey, starting from launch.

Learn more on The Electric Car Scheme website here:

<https://www.electriccarscheme.com/companies/how-salary-sacrifice-works-for-companies>

ABOUT THE ELECTRIC CAR SCHEME



Switching to an electric car is one of the most significant ways you can make a positive change towards net zero. We want to make it cheaper and easier than any other option. Salary sacrifice makes this possible, allowing employees to save 30-60% on any electric car by reducing your salary in exchange for an electric car as a benefit. This makes electric cars an affordable option for everyone.

At The Electric Car Scheme, our goal is to make net zero the obvious choice.



Every company in the UK can help their employees on their personal journey to net zero by offering The Electric Car Scheme as an employee benefit. For every business to offer electric car salary sacrifice, it has to be a 'no-brainer'. That's why The Electric Car Scheme is no cost to the employer to set up and run.

As an employer, you are protected if the car needs to be returned early. And importantly, you run the scheme with no hassle, simple set up, straight forward reporting, and 5* customer service.



You can offer a cost-neutral benefit that gives employees access to the most affordable way to switch to an electric car. Together we're speeding up our ability to tackle climate change by empowering others to make sustainable choices.

The Electric Car Scheme is here to break down barriers. By empowering others to make sustainable choices, we can speed up your efforts to tackle climate change.

By working together, we can achieve our net zero goals much faster.



TopCashback

Chris Heather, TopCashback

"One of the concerns we had was the liability the business would incur should an employee not be able to meet their financial commitments or leave the business, potentially risking in excess of £10,000 per car.

As a result, we had decided not to progress with an electric car salary sacrifice scheme, until The Electric Car Scheme told us about their risk protection offered, which was not something we had come across before. This made us feel much more comfortable that these risks were mitigated, so we were delighted to offer our staff the significant savings to help access electric cars in a more affordable way, knowing that we didn't need to worry."

Boost your benefits with The Electric Car Scheme

Sustainable choices should be obvious and affordable. That means no trade-offs. When the choice is better for your wallet and better for the environment – it's a no-brainer. You can enable everyone to make the choice to accelerate the transition to net zero.



Complete Risk Protection



No cost



Best prices available



Straightforward reporting



Trusted 5* service



Make your team feel rewarded

Learn more on electriccarscheme.com

